

SOCIAL STRATIFICATION AND CONSUMER BEHAVIOUR IN KERALA

A STUDY WITH SPECIAL REFERENCE TO CONSUMER DURABLES

Thesis submitted to
the Cochin University of Science and Technology
for the award of the Degree of
DOCTOR OF PHILOSOPHY
in
SOCIAL SCIENCES

By

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Supervising Guide

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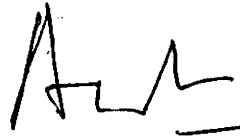
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DECEMBER 29, 1993

C E R T I F I C A T E

Certified that the thesis "Social Stratification and Consumer Behaviour in Kerala - A Study With Special Reference to Consumer Durables" is the record of bonafide research carried out by Mr. J. C. Edison, under my guidance. The thesis is worth submitting for the Degree of Doctor of Philosophy in Social Sciences.

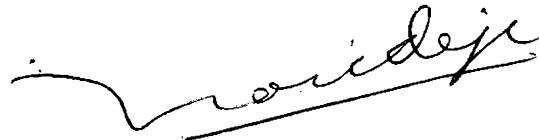


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D E C L A R A T I O N

I declare that the thesis entitled "Social Stratification and Consumer Behaviour in Kerala - A Study With Spécial Reference to Consumer Durables" is the record of bonafide research carried out by me under the supervision of Dr. G. Antony, Reader, School of Management Studies, Cochin University of Science and Technology. I further declare that this has not previously formed the basis of the award of any degree, diploma, associateship, fellowship or other similar titles of recognition.



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PART - I

CHAPTER - I
RESEARCH DESIGN

1.1.1 Relevance of the study

Hardly any serious research study has ever been undertaken to analyse the buying behaviour of the Indian consumer. Marketing decision makers and academicians often depend on the buyer behavioural models developed in the west to conceptualise the dynamics of the Indian market. Lack of precise understanding of the consumption pattern and buying habits of the Indian consumer has often led to marketing failures. The present study is an attempt at understanding the consumer behaviour of a segment of the Indian market. In a highly segmented market with different races, subcultures, religions, castes, linguistic groups and geographical variations, it is only natural that significant differences exist with regard to the buying behaviour of the consumers in different states. Hence the study has been limited to the analysis of buying behaviour of consumers in Kerala with special reference to the purchase of consumer durables.

Kerala is a highly developed market for consumer products and all leading national marketers have been trying to ensure a fare share of the market. However, this market is quite unique in several respects compared to other states. Some of the prevailing assumptions are that conspicuous consumption is relatively high in

Kerala, purchasing power of the average household is comparatively more, rural urban differences are less pronounced and the whole state is an extended urban market. Whatever might be the unique characteristics of the Kerala market, the uniqueness necessarily stems from the culture and social structure in the state. For evolving marketing strategies, it is imperative that marketers have a proper understanding of the behaviour of consumers in Kerala. This study aims at identifying factors relating to the process of buying decisions for consumer durables and the people influencing product and brand choices.

.2. Objectives of the Study

The broad objective of the study is to analyse the behaviour of consumers in Kerala with regard to the purchase of consumer durables. Fourteen consumer durables commonly purchased by households in Kerala have been selected for the study. They are (1) refrigerator; (2) pressure cooker; (3) mixie; (4) television set; (5) VCR/VCP; (6) radio; (7) taperecorder; (8) car; (9) motorcycle/scooter; (10) bicycle; (11) washing machine; (12) vacuum cleaner; (13) foam bed; and (14) settee or other costly furniture. They fall into four categories: kitchen appliances, entertainment items, vehicles, and costly furniture and cleaning systems.

In particular, the study aims at discovering the buying decision process and the influences on consumers of different

social classes. As indices are not available to segment consumers into different social classes, development of an index for stratification of consumers into various social classes forms an important objective of the study.

Specific Objectives

In order to fulfil these broad objectives, the study set the following specific objectives :

1. Develop measures to segment consumers into different social classes.
 2. Identify whether social class is a more reliable determinant of consumer behaviour than income.
 3. Analyse the purchase motives of consumers and identify the family members involved in need identification for different consumer durables.
 4. Find the sources of information for different products and the relative influence of the various sources.
 5. Identify the buying decision makers for different durables and the role played by family members in product and brand choice.
 6. Analyse the sources of social influences with respect to the buying of consumer durables and study the characteristics of opinion leaders and innovators.
 7. Study the behaviour of consumers with respect to reducing perceived risk and post purchases dissonance.
 8. Attempt social class-wise analysis of factors pertaining
- Specific Objectives No. 3 to No. 7.

3. Research Methodology

This research study is primarily an empirical study on the buying influences and consumer behaviour relating to selected consumer durables. The behaviour of the consumers of different social classes pertaining to various aspects have to be probed. The study, therefore, involves two steps: The first step relates to developing indices for determining different social classes. The second step involves the empirical analysis of the behaviour of consumers regarding the purchase of consumer durables.

In order to develop the scale for social class determination, a survey among 50 experts was undertaken. For the purpose of analysing consumer behaviour, a sample survey was conducted among 300 households, selected from five districts of Kerala.

Products Selected

The scope of the study is limited to the analysis of consumer behaviour in respect of a limited number of products. It was decided to identify a list of consumer durables purchased and used by quite a large number of households. The selection of these products was done based on discussions with executives involved in the marketing of consumer durables. Fourteen products are identified and selected for the study. These products are classified into four broad categories. The purpose of the

categorisation is to determine common behaviour patterns, if any. The products selected for the study as well as the categories are as follows:

I Kitchen Appliances

1. Refrigerator
2. Pressure Cooker
3. Mixie

II Entertainment Items

4. Television Set
5. VCR/VCP
6. Radio
7. Taperecorder

III Vehicles

8. Car
9. Motorcycle/Scooter
10. Bicycle

IV Costly Furniture and Cleaning Systems

11. Washing Machine
12. Vacuum Cleaner
13. Foam Bed
14. Settee or other Costly Furniture

1.3.1. Methodology for Social Class Determination

One of the main objectives of the study is to verify whether social class is a more reliable determinant of consumer

behaviour than income. Further, the study envisaged a social class-wise analysis of factors relating to buyer behaviour. Obviously, it is necessary to segment various social classes. Keeping in view these objectives, a social class ^{index} is developed.

Different methods are used to stratify consumers into different social classes. The commonly used methods are the subjective method, the reputational method, the sociometric method and the objective method. The objective method which is based on socio-economic indicators and which helps to reduce possible bias has been adapted for the present study. However, in order to eliminate some of the limitations of this method, perceived value rating technique is used for developing the socio-economic indicators.

1.3.2 Expert Opinion Survey For Social Class Index

As prescribed for the objective method, expert opinion has been adopted to identify the social classes of the respondent families. In order to prepare the social class index, a survey was conducted among experts including social scientists and professionals.

A sample of 50 experts is drawn from five categories for the purpose of the survey. The five strata include college professors, research scholars working in the area of social sciences, medical doctors, engineers and lawyers. From each category, 10

experts have been identified and selected. The very purpose of the survey demanded that only people with relatively larger exposure to social occurrences and greater awareness regarding social structure and systems should be selected as respondents. Necessarily, judgmental sampling has been preferred because random sampling was not appropriate. Since there was no logical reason for including experts from different regions, all experts have been selected from Cochin city.

.3. Socio-Economic Variables

The socio-economic variables used for social class index were income, education, occupation and caste. (Reasons for selecting these variables are explained in Chapter IV).

.4. Method of Determining the Index

Development of social class index involved three stages. The first stage is the relative ranking of the different variables or factors such as income, ^{source of income,} education, occupation and caste to determine the relative weights for the different variables. The second step involves the relative ranking of sub-categories within each variable. For example, with regard to education, the sub-categories are different levels of education. The third step relates to the determination of cut-off points based on the scores obtained in the composite index for the different social classes. Once such cut-off points are determined, different families can be

assigned to the various social classes according to their total score in the composite index.

1.5. Scale Construction for Social Class Index

Six research schedules have been prepared and pretested for the survey among experts meant to develop social class index. (These schedules are given in Annexure 1). These schedules are based on an exploratory survey among a few people, with a view to identify relevant lists of occupations, castes, educational levels and income groups.

In order to determine the relative weight for the socio-economic variables such as income, education, etc., perceived value rating method was employed. The respondents were asked to distribute 100 points among the different variables in proportion to the significance perceived by the respondents for the different variables.

With a view to find the relative significance of the different sub-categories within each variable, perceived value rating method was used with respect to each of the variables. Respondents were asked to distribute 100 points among the sub-categories in proportion to the perceived significance of each sub-category. This was done for all the variables.

The averages for the different variables were computed using data from the expert survey. The averages for the sub-categories of each variable were then multiplied by the respective

scores obtained for the particular variable in order to obtain the weighted averages for each sub-category. These weighted averages of the sub categories were distributed among the families covered by the household survey, depending on the sub categories relevant to these families. While assigning points for the families with respect to income, source of income, ducation and occupation, all relevant members of the families were considered. The income taken was the family income. Education levels of all the family members were considered and the score on education for the family was computed by taking the weighted score for each individual member and then deriving the simple average for all members in the family. Similarly, the average scores on occupation and source of income for the family was computed from the score obtained by different earning members in the family. With respect to caste the family was taken as a single unit.

The cut-off points for different social classes were determined as follows: First, the total score obtained for all the variables by each family was computed. The sum of such family scores for all the 300 families was calculated. The arithmetic mean and standard deviation of the sum was determined in order to find out the upper and lower limits of the scores of each social class.

1.3.6. The Number of Social Classes and the Number of Families in Each

Literature on marketing and consumer behaviour often refers to six social classes, following the classification introduced by Warner. The traditional classification of society into upper, middle and lower classes has been further classified into ^{upper} upper, and lower upper, upper middle and lower middle and upper lower and lower lower by marketing analysts. However, this may not be a relevant classification for all societies. In advanced societies the socio-economic development may render itself to high differentiation and consequently, greater number of social classes. However, the present stage of socio-economic evolution in Kerala does not apparently warrant stratification of the society into six social classes. In particular, distinct segments cannot be easily discerned among either the upper or the lower classes. The data obtained from survey among consumers also did not indicate opportunity for further division of upper and lower classes. Hence, only four social classes have been identified for the purpose of this study. Use of the social class indices developed in this study shows that there were 79 families in the upper class, 76 families in the upper middle class, 61 families in the lower middle class and 84 families in the lower class.

1.3.7. Survey Among Households

In order to analyse the behaviour of consumer with respect to consumer durables, a sample survey has been undertaken among 300 households. The sampling units were households with single

families. The households have been selected from five districts of Kerala. Variations in the level of urbanisation, consumption patterns and life styles are considered to exist in different regions of the state. The erstwhile Malabar region has consumption habits different from that of areas that correspond to the former Travancore State. Similarly, Cochin area has a consumption and life style pattern different from those of the other two. Hence, districts have been included from all the three regions - two from Malabar region, two from Travancore region and one from the central region. More districts have been selected from the north and the south considering the greater number of districts in these regions.

From each region households have been selected from urban, semi-urban and rural areas.

Equal number of respondents (60) have been selected from each district. Of these, 20 was from urban centres, 20 from semi-urban centres and the remaining 20 from rural areas. City Corporations/Municipal towns were considered as urban areas, small towns and 'A' Grade Panchayats were considered as semi-urban centers^a and other panchayats were considered as rural areas.

Households were selected from each of the chosen centres, keeping in view that people of different income groups and social status were to be included. Residential localities and type of residential buildings were the criteria adopted for categorising and selecting families. Income alone was not the criterion for selecting individual households, although it was one of the

criteria.

Since the study was undertaken with reference to consumer durables, only families with at least one durable item was accepted as a sample household.

Many of these considerations necessitated the adoption of judgmental sampling for the selection of respondent households.

.3.8. Research Instrument

An elaborate research schedule was prepared and pre-tested for the purpose of data collection. The schedule is given as Annexure II. Within the research schedule, two scales have been included to ascertain the extent of innovativeness and opinion leadership of the key respondents in every household surveyed. Twentyfive percent of the total sample population who got the highest score in each scale have been considered as innovators and opinion leaders.

.3.9. Interviews

At the time of the interview with each family, care was taken to initiate a discussion among the family members on different aspects before recording the responses on each aspect. However, for innovativeness and opinion leadership, responses of only the key respondents were considered.

.4. Data Analysis

In order to analyse the primary data collected percentage has been used in most cases, while in the analysis of consumption and social class relationship, regression analysis using

categorical (dummy) variables has been made use of. For analysing the sources of information for consumer durables, rank order rating scale is employed. In all other cases percentages are used.

Further, the following method is adopted to construct indices for analysing the various aspects of the products under study.

Let x_{id} represent the value of the i -th factor in the d -th product ($i=1,2,3,\dots,n$; $d=1,2,3, \dots, m$, say.) Let us write:

$$Y_{id} = \frac{X_{id} - \text{Min}_i x_{id}}{\text{Max}_i x_{id} - \text{Min}_i x_{id}}$$

Where, $\text{Min}_i x_{id}$ and $\text{Max}_i x_{id}$ respectively, the minimum and maximum of $(x_{1d}, x_{2d}, \dots, x_{nd})$.

Obviously, the scaled values, Y_{id} , vary from zero to one:

From this matrix of scaled values, $Y=(Y_{id})$

a measure for the various aspects for different products has been constructed as follows:

$$Y_i = W_1 Y_{i1} + W_2 Y_{i2} + \dots + W_n Y_{in}$$

Where, the W 's ($0 < W_i < 1$ and $W_1 + W_2 + \dots + W_n = 1$)

are arbitrary weights reflecting the relative importance of the individual indicators. A special case of this is when the weights are assumed equal.

Limitations of the study

Although several consumer behaviour models have been reviewed, the study does not test any particular model. However, the study draws heavily from many of them.

One of the major limitations of the study relates to the number of products selected for the study. Although the study is with reference to consumer durables, only 14 durables products have been considered.

The household survey has been restricted to a sample size of 300. The decision on the sample size was rather arbitrary, although the sample size is deemed sufficient considering the nature of the issues analysed and the requirement of category-wise analysis.

The number of respondents from different sections of society are not selected in proportionate with the actual number of families in these sections. Only households possessing at least one of the durables under study had been included among the sample households. This has perhaps resulted in excluding those lower class families which do not possess any of the durables selected.

The respondents were not selected using random sampling, but by using judgmental sampling. The possibility of an element of bias was inherent in using the judgment of the researcher in selecting

respondent households.

Only five elements have been used to develop the social class index. Other significant variables were perhaps not considered. Similarly, it is likely that certain sub-categories within the selected variables have been left out.

The purpose of social stratification in the study was to classify the respondent families for analysing their behaviour and not to segment the whole population of the state and study their consumption habits. The limitations with respect to sample selection inhibit generalisations relating to social classes to the whole population of the state.

These limitations have been partly due to the time and resource constraints of the researcher.

Considering the limited scope and specified objectives of the study, these limitations, however, do not seriously affect the reliability or validity of the findings of the study.

6. The Scheme of the Study

The study has been divided into two parts: the first part deals with the research design (Chapter I), the Socio-economic Background of Consumers in Kerala and the Consumers Goods Market (Chapter 2) and a review of the Buyer Behaviour Models (Chapter 3). Part II is devoted for empirical analysis and includes seven chapters. The chapters include Social Stratification and Empirical Analysis on the Relevance of Social Class (Chapter 4), Need Identification and

Purchase Motives (Chapter 5), Information Search and Information Sources (Chapter 6), Decision-making and Buying (Chapter 7), Social Influences and Innovation Adoption (Chapter 8), Risk and Dissonance (Chapter 9) and the Summary of Findings (Chapter 10).

CHAPTER II

SOCIO-ECONOMIC BACKGROUND OF CONSUMERS IN KERALA AND THE CONSUMER GOODS MARKET

The area under study (Kerala) forms the southern most part of India. Certain unique characteristics distinguish the consumers of Kerala from those of the rest of the country. The human settlement pattern in Kerala (there is little difference between 'urban' and 'rural', and the 1981 Census report termed it as 'rurban'), large size of villages, physical accessibility (cent per cent of the villages are connected by roads or waterways), land reforms, beneficial effects of migration to foreign countries, higher level of electricity and communication facilities (all the villages are electrified), higher literacy rate and the large number of newspaper per capita are some of the major socio-economic factors which have contributed to the quality of life of the consumers in Kerala.

.1. SOCIAL FACTORS

.1.1. Geographic and Demographic Factors

.1.1.1. Area of the State and Urban - Rural Break-up

Kerala has a land area of 38,863 sq.km.¹ which is 1.18 per cent of the total area of the country. Kerala ranks 17th respect of area.

The state average percentage of urban area to total area is 4.60. The districts with percentage of urban area less than the state average are: Malappuram (3.17), Quilon (2.54), Kottayam (2.44), Palghat (2.11), and Idukki (1.33). The only district which has no urban area is Wayanad. Ernakulam district (15.68) has the highest percentage of urban area, followed by Trivandrum (7.55), Trichur (7.10), Alleppey (6.95), Kozhikode (6.81) and Cannanore (5.92), in that order.

The state has, according to 1991 census, three corporations, 59 municipalities, one cantonment, two townships, 983 panchayats and 1,452 revenue villages.²

1.1.2. Population

The 1991 Census reveals that the population of Kerala is 2,90,98,518.³ In respect to population, Kerala ranks 12th among the states in India. Though Kerala has the highest pressure of population in the country, the distribution of population varies from district to district. Malappuram is the most populous district in the state with 30.96 lakhs of persons and Wayanad the least populous, with 6.72 lakhs of persons. Except Kottayam, Idukki, Wayanad, Kasargod and Pathanamthitta all the other districts have a population of over two million.

1.1.3. Population Growth

Kerala has the lowest fertility, mortality and infant mortality rates. During the period 1981-91, population growth rate was 13.8 per cent compared to 19.24 per cent during the previous

decade. The rate of growth of population is highest in the Malappuram district with 28.74 per cent and lowest in Pathanamthitta with only 5.45 per cent. Rate of growth of population shows a downward trend, more evident in the southern districts, compared to the northern districts of the state.

The demographic changes that have occurred in the broad age structure for Kerala is given in Table 2.1. The figures show that since 1981 the percentage distribution of all these broad age groups changed considerably. In 1986 the age group 0-14 formed only 32 per cent as against 43 percent in 1961. The 15-59 age group increased to 60 per cent from 52 per cent in 1961. Percentage of people above 60 has also increased. The projections for 2026 shows that the children will constitute 22 per cent of the total population, the old aged will be 18 per cent and the 15-59 age group will remain unchanged at 60 per cent. The size of the labour force is determined by population in the working age group of 15 to 59 years.⁴ The composition of labour force is greater in the population of Kerala, compared to other states.

1.1.4. Urban Population in Kerala

The 1991 urban population of Kerala accounts for 26.44 per cent of the total population. The census figures show that the urban population of Kerala is higher than the national average (table 2.2).

The district-wise data show that Ernakulam district stands first in respect to urban population with 17.87 per cent, Kannur

Table 2.1

Composition of Population by Broad Age Group Between 1961 - 2026.
Kerala

1.	1961	7205	8712	986	42.62	51.53	5.84
2.	1971	8595	11425	1328	40.26	53.52	6.22
3.	1981	8901	14643	1910	34.97	57.53	7.50
4.	1986	8817	16661	2158	31.90	60.29	7.81
5.	1991	8693	18490	2611	29.19	62.05	8.76
6.	1996	8880	20166	3051	27.67	62.83	9.51
7.	2001	9172	21759	3503	26.64	63.19	10.17
8.	2006	9496	23252	3963	25.87	63.34	10.80
9.	2011	9585	24675	4622	24.65	63.46	11.89
10.	2016	9624	25705	5652	23.48	62.72	13.79
11.	2021	9744	26421	6866	22.64	61.40	15.96
12.	2026	9965	26752	8267	22.15	59.47	18.38

Source : Gulathi, Leela and Irudaya Rajan,
"Social and Economic Implications of
Population Aging in Kerala, India",
Demography India Vol.19,1990, p.241.

Table 2.2

Percentage of Urban Population, 1981-91

Sl. No.	State/India	Percentage of urban population	
		1991	1981
1.	Kerala	26.44	18.74
2.	India	25.72	23.34

Source: Census of India, Kerala Series - 12, paper 2 of 1991, provisional Population Totals, 1991, p.26.

Table 2.3

Population by Religion of the Head of the Household, 1981

Religion/ Caste	No. of Household	(in 1000s)
		Percentage
Hindus	14,802	58.15
Muslims	5,413	21.27
Christians	5,224	20.56
Others	5	0.02

Source: Govt. of Kerala, statistics for Planning, Dept. of Economics and Statistics, 1988, P.15.

district second with 14.92 per cent and Wayanad the last with 0.3 per cent.

1.5. Density of Population

Kerala has 5,513,200 households. Except West Bengal the density of population is highest in Kerala. The density of population of Kerala was 749 per sq. km as per 1991 census as against 655 in 1981⁵. The most densely populated district in the state is Alleppey which has 1,408 persons per sq. km., almost double that of the state density of population. Thiruvananthapuram has the second position with 1,341 persons per sq. km., and Idukki the lowest with 214 persons per sq. km.

1.6. Population Based on Religion

Religion-wise break-up shows that there are 14,802,000 Hindu households, 54,13,000 Muslim households, 52,24,000 Christian households, 5000 other households, in the state (Table 2.3). The total population of scheduled caste and scheduled Tribe is 2,549,382 and 261,475 respectively.

1.7. Occupational Categories

There were 7.8 million workers in Kerala as per 1981 census. Of these 6.8 million were main workers and 0.98 million were marginal workers. Of the 6.8 million workers, 1.1 million workers were in the organised sector who were distributed between the private and public sector in the ratio of 53 and 47 per cent⁶. In 1988 there were 483,12 registered factories and 3,10,412 workers employed in the factory sector. The cashew industry alone provided

employment to 1,11,372 workers which constituted nearly 36 per cent of the total employed persons in the factory sector. The other major employing industries are general engineering, cotton textiles, chemical industries, rubber, tiles and automobile repairing.⁷

1.8. Main Workers and Marginal Workers

Out of 9.31 million workers in the state as per 1991 census, 8.20 million are main workers and rest marginal workers. The proportion of main workers in the State is 28.23 per cent as against 34.19 for all-India (excluding Assam and Jammu and Kashmir). At the national level the proportion had shown an increase over 1981, the corresponding figures for that census being 26.68 for Kerala and 33.48 for India. As in the case of total, the rural and urban work participation rates of main workers are higher at the all-India level in both censuses as compared to state figures. Details are given in Table 2.4

1.9. Unemployment

In the case of unemployment the state is at the forefront. At the end of July, 1989, there were 30.67 lakh job seekers on the live registers of employment exchanges. Out of this, those who have qualifications of S.S.L.C. and above were 18.61 lakhs at the end of July 1989, compared to 17.16 lakhs at the beginning of the year.⁸

Table 2.4

Main workers, Kerala & India

Country/ State	Population Break-up	Percentage of main workers		Percentage decadal growth rate of main workers 1981-91
		1981	1991	
India	Population	33.48	34.19	26.12
	Male	51.62	50.62	21.51
	Female	14.07	16.48	44.24
Kerala	Population	26.68	28.23	20.70
	Male	41.04	44.24	22.44
	Female	12.76	12.85	15.27

Source: Govt. of India, Census Report 1981 & 1991.

1.10. Literacy

The state has the highest literacy rate in the country, 90.59 per cent, which has considerably helped to change the demographic picture of the state. The male literacy rate is 94.45 per cent and female, 86.93 per cent.

1.11. Educational Facilities

According to 1991 census, there are 12140 schools in the state, comprising 2437 High Schools, 2891 Upper Primary Schools and 6812 Lower Primary Schools. The total student strength during 1989-90 was 58.83 lakhs, comprising 49 per cent girl students. The total number of Arts and Science Colleges stood at 172; the student strength was 3.29 lakhs during 1988-89. As regards technical education institutions, according to 1991 census, the total number of Engineering Colleges is eight, Polytechnics 29, Technical High Schools 48, Dental Colleges two, Nursing Colleges three, Medical Colleges five, Ayurveda Colleges four, Homoeo Colleges three and Veterinary Colleges, Fine Arts Colleges and Pharmacy Colleges one each.

1.12 Transport and Communication Facilities

The recent years witnessed a spurt in the growth of infrastructural facilities. The total road length, the total number of passenger buses, the commissioning of new railway line, the natural waterways, postal services and telecommunications show an upward trend (see Table 2.5). The passenger buses continued to register a 15 per cent increase per annum. The coverage of road

Table 2.5
Growth of Transport and Communication
Infrastructure since 1985

Sl. No.	Items	Unit	Year	
			1985	1990
1.	Road Length (PWD)	Km.	19,107	19,836
2.	Road Length (Panchayats)	Km.	81,515	96,951
3.	Motor Vehicles	Nos.	3,19,259	5,81,054
4.	Passenger Buses	Nos.	12,910	20,290
5.	Good Vehicles	Nos.	40,879	61,106
6.	Buses under K.S.R.T.C.	Nos.	3,239	3,313
7.	Total Length of Railway Route	Km.	941	998
8.	Minor Ports	Nos.	9	10
9.	Intermediate Ports	Nos.	4	3
10.	Length of navigable waterways	Km.	1,895	1,895
11.	Passenger Boats in Public Sector	Nos.	94	107
12.	Post Offices	Nos.	4,751	4,861
13.	Telephone Exchanges	Nos.	561	636
14.	Total Equipped capacity	Nos.	1,44,462	2,46,190
15.	Public Call Offices	Nos.	2,766	3,794

Source: Compiled from Economic Review, State Planning Board, Government of Kerala, Thiruvananthapuram, 1990, p.89.

length in Kerala is 323 Km. per hundred sq. km. of area and 423 km. per lakh of population. There are 1,495 vehicles per hundred sq.km. of area and 1,956 vehicles per lakh of population (1980). On an average, one post office serves 8.108 km. area and a population of 6,166 during 1989-90. The average population served by one telephone was 129 in 1990. There are 7 radio stations and 4 television stations in Kerala.

ECONOMIC FACTORS

National and State Income

The national income, according to the Central Statistical organisation's quick estimates at current prices, has increased by 14.3 per cent from Rs. 4,13,943 crores in 1990-91 to Rs.4,73,246 crores in 1991-92. In real terms (1980-81 = 100) the national income has grown only marginally, i.e., 0.9 per cent (Table 2.6). The estimated national per capita income for the year 1991-92 at constant prices (1980-81 = 100) was Rs. 2,174. The national per capita income at current prices is estimated at Rs. 5,529 in 1991-92.⁹

The estimated state income of Kerala for the year 1991-92 at current prices was Rs.13,543 crores. At constant price it was Rs. 5,533 crores in 1991-92. Kerala's per capita income at current prices was Rs. 4,626 in 1991-92.

2. Pattern of Asset Holdings

2.1. National Level

The average value of total assets per household was

Table 2.6
National Income and State Income

Income/Year	1980-81	1990-91 (P)	Growth Rate(%)	1991-92 (Q)	Growth (Rate(%))	1992-93 (A)	Growth Rate(%)
A. National Income (Rs. Crores)							
a) At Constant Prices	110685	184460	5.2	186135	0.9	-	-
b) At Current prices	110685	413943	16.8	473246	14.3	-	-
B. State Income (Rs. Crores)							
a) At Constant prices	3823	5193	6.22	5533	6.55	5899	6.61
b) At Current Prices	3823	12062	13.09	13543	12.28	15207	12.29
C. Per capita National Income (Rs.)							
a) At Constant prices	1630	2199	3	2174	(-)1.1	-	-
b) At Current Prices	1630	4934	14.4	5529	12.1	-	-
D. Per Capita State Income (Rs.)							
a) At Constant Prices	1514	1795	4.97	1890	5.29	1992	5.40
b) At Current Prices	1514	4168	11.74	4626	10.99	5136	11.02

Note: 1. Constant Prices refer to 1980-81 as base
2. P - Provisional; Q-Quick Estimate; and A-Anticipated
Source: Govt. of Kerala, Economic Review- 1992, State Planning Board, Thiruvananthapuram, 1992, p.9

Rs.37,160, with urban household being at a higher level of Rs.40,576 when compared to that of a rural household at Rs.36,090. Within the rural households, the average value per rural cultivator household was Rs.44,524, which was about five times that of the non-cultivator household (Rs.8,974). Considering the urban households, it was observed that the average value in respect of the self-employed category was higher at Rs.55,320 compared to that of the non-self-employed household (Rs.33,457). The average value of total assets per rural household increased more than three-fold in absolute terms from Rs.11,311 in 1971 to Rs.36,090 in 1981.¹⁰

Out of the average value of total assets of a household, (Rs.37,160) a little less than 80 per cent was in the form of land and building. The durable household assets get the third place (9 per cent).

2.2. The Position of Kerala in Asset Holding

In the rural areas, the average value of total assets per household was the highest in Punjab (Rs.96,631), followed by Haryana (Rs.90,950). The third place goes to Kerala, i.e., Rs.76,479. In the urban household sector, Kerala has the highest average value of total assets per household (Rs.1,11,548).¹¹

2.3. Durable Household Assets Among Various Types of Households

The figures for household assets in 1981-82 (Table 2.7) showed that, of the total assets of rural households, durable household assets account for 7 per cent, while in the case of urban it was 15 per cent. For the cultivators in the rural sector the

Table: 2.7
Percentage Distribution of Assets by Type of Household and Type of Assets

Type of Household	Land	Building	Livestock & Poultry	Agl. Mach.	Non-farm business equipment	Transport Equipment	Durable Household Assets	Financial Assets shares	Other Financial Assets	Dues Receivable	Total
Rural											
All Households	62.1	20.7	5.0	2.5	0.3	1.0	7.1	0.1	1.1	0.1	100.0
Cultivators	64.1	19.5	5.0	2.6	0.2	0.9	6.6	0.1	0.9	0.1	100.0
Non-cultivators	30.8	39.0	5.3	0.5	1.3	1.5	15.8	0.1	5.4	0.3	100.0
Urban											
All Households	32.4	35.7	0.8	0.4	2.1	2.5	15.1	0.5	10.1	0.4	100.0
Self-employed	34.6	37.3	1.1	0.7	4.0	3.3	13.1	0.5	4.7	0.7	100.0
Non-self-employed	30.6	34.3	0.6	0.2	0.5	1.9	16.8	0.5	14.4	0.2	100.0
All Households	54.3	24.6	3.9	1.9	0.8	1.4	9.2	0.2	3.5	0.2	100.0

Source: All-India Debt and Investment Survey 1981-82,
Reserve Bank of India, Bombay, June 30, 1981, p.12.

composition of durable household assets was 7 per cent and for non-cultivators it was 16 per cent. Again, in the case of self-employed it was 13 per cent and non-self-employed it was 17 per cent in the urban sector. The all-India all-households figures showed that it was only 9 per cent.

2.4. Possession of Durables - All India and Kerala

A comparison of the composition of durable assets of the Kerala state and all India average, for 1981 - 82 showed only marginal difference, ie., in Kerala it was 8 per cent and all India 9 per cent (Table 2.8). In the rural areas, non-cultivator households own durable assets more than twice that of all India; in Kerala it was 41 per cent and all India average was only 16 per cent. The average value of household assets was relatively high in Kerala. It is Rs.5,875 in Kerala, Rs.5,610 in Himachal Pradesh and Rs.4,934 in Haryana¹²

2.5. Durables Possession in Kerala

Kerala Statistical Institute's study shows that the most common consumer durable in Kerala is radio. Radio is owned by 63.7 per cent of the urban and 63.6 per cent of the rural households in Kerala. The ownership of television set in the urban and rural localities of Kerala showed an increase from 1986-87 to 1990-91. It was 17 per cent in 1986-87 and it increased to 39 per cent in 1990-91 in urban areas. Similarly, it increased from 2 per cent to 7 per cent in the rural areas between 1986-87 and 1990-91.

Table 2.8
Percentage Distribution of Durable Household Assets

Type of household/State/All-India	Durable Household Assets	
	Kerala	All-India

A. Rural Areas		
a) Cultivators	7.5	6.6
b) Non-Cultivators	40.8	15.8
c) All Households	7.7	7.1

B. Urban Areas		
a) Self-employed	8.2	13.1
b) Non-Self-Employed	11.2	16.8
c) All Households	10.1	15.1

C. All-Areas-All Households	8.2	9.2

Source: Compiled from All India Debt and Investment Survey 1981-82, Reserve bank of India, Bombay, June 30, 1981.

.3. CONSUMER DURABLES MARKET-A PROFILE

The development of consumer durables industry has been a powerful stimulant to the industrial growth in the economically developed as well as developing economies. Some of the earlier features of the industry have been low production and sales, high dependance on the import of components of inferior quality and the existence of seller's market. Now the picture has almost changed. Recently the industry has made tremendous progress both in size and quality. In 1981-82 itself, the index of consumer durables production increased by 10.9 per cent, much faster than capital goods (6.7) and intermediate goods (3.7). In 1985-86, the consumer durables index rose by 18.7 points, leaving even basic goods (6.8) far behind. In 1986-87, it rose still further by 18.9 points. The dismay began in 1987-88 when the index of consumer durables production went down to 7.8 per cent growth rate owing to severe draught. After lurching at 1.7 per cent growth rate in 1989-90,¹³ it gradually improved during the last few years.

.3.1. Consumer Goods Industry in India

The 1970's were the decade of the mixies for the Indian middle class consumers. The eighties were the era of refrigerators and television sets. The nineties are witnessing the emergence of washing machines and other gadgets.¹⁴

.3.1.1. Refrigerators

In the year 1977-78 there were only seven units licensed for manufacturing refrigerators in India, one among them remained

closed. They together had a total production capacity of 1,85,000 refrigerators. The total production of refrigerators during the years 1975, 1976 and 1977 showed a zigzag movement, i.e., 1,60,000; 1,70,520; and 1,42,208 numbers respectively.¹⁵ Further, the production of refrigerators jumped from under three lakhs in 1980 to over a million in 1991 (Table 2.9). The sale of refrigerators stood at 1.2 million, in 1991.¹⁶

1.2. Television sets and V.C.Rs

Though India began television sets production in 1976, the colour television sets production began only in 1982 (See Table 2.10). The production of colour television sets in India in 1988 was 1.3 million and the figure was 1.2 million in 1989 and 1990. Television production in the country (including black and white and colour sets) increased from 3.7 lakh sets in 1980 to 48 lakh sets in 1990. It is estimated that there are more than 75 major manufacturers in the market. The existing population of video cassette recorders in the country is 2.5 million.¹⁷

1.3 Washing Machine and Vacuum Cleaner

A number of cleaning equipments, such as washing machines, vacuum cleaners etc., have made their entry in to the Indian market recently. The production of washing machines was barely worth Rs.60 crores in the year 1988-89,¹⁸ but it has registered significant growth recently. Today, the vacuum cleaner market in India is worth almost Rs.35 crores and is growing at the rate of 10 per cent a year.¹⁹

Table 2.9

Output of Refrigerators in India : 1960-1990/2000

(in Thousands)	
Year	Production
1960	11
1965	31
1970	87
1975	150
1980	290
1990	1100
2000	3300
(Est)	

Source: Krishna, Mohan B., The white Goods Market Boom, Quarterly Economic Report of Indian Institute of Public Opinion, Vol. 34, July-Sept 1991, p.30

Table 2.10

Production of Television sets in India

(in lakhs)

Year	B/W	Colour	Total
1976	1.41	--	1.41
1977	2.39	--	2.39
1978	2.70	--	2.70
1979	3.11	--	3.11
1980	3.70	--	3.70
1981	4.35	--	4.35
1982	5.70	0.70	6.40
1983	6.60	0.90	7.50
1984	10.00	2.80	12.80
1985	18.00	6.80	24.80
1986	21.20	9.00	30.20
1987	31.00	11.00	42.00
1988	44.00	13.00	57.00
1989	40.00	12.00	52.00
1990	36.00	12.00	48.00

Source: Narayana, S.Lakshmi, The Role of Advertising and Marketing Communication in India, Quarterly Economic Report of Indian Institute of Public Opinion, Vol.34 July-Sept. 1991, p.26.

.2. Growing Market for Durables in Kerala

There has been tremendous growth in the market for consumer durables in Kerala after the mid seventies. The final consumption expenditure of durables in India during the years 1984-85, 1985-86, and 1986-87 was 2,696; 3,369; and 4,326 crores of rupees respectively.²⁰ The durable goods consumption expenditure in Kerala during the years 1972-73, 1977-78, 1983 and 1986-87 was 2,816; 15,293; 26,693; and 41,098 lakhs of rupees respectively.²¹

.3. Automobile Industry in India

Indian Automobile Industry is ninth in term of world production of automobiles, the total production capacity being 2.5 million. The need for personalised transport is increasingly being felt in India. Thus, the possession of a two-wheeler or a car is considered as a necessity.²²

.3.1. Cars

The production of cars in 1983 was only 45,000 numbers.²³ The total number of cars manufactured in India during the first eleven months of 1991-92 stood at 1,52,758.²⁴

.3.2. Two-wheelers

The number of two-wheelers produced annually doubled to 1.6 million during 1983-88 period.²⁵ In the case of two-wheeler market, India has become the worlds largest market in 1989 itself, edging Japan to the second place with sales of 17.50 lakhs against 16.88 lakhs in that country.²⁶ The production of two-wheelers

showed a six fold increase from just three lakhs to 18 lakhs during the decade 1980-90. The production of motor cycles during the first eleven months of 1991-92 was 3,91,736. Similarly, the production of scooters stood at 6,99,512 at that time.²⁷

3.3.3. Bicycles

The demand for bicycles in India was for 6.5 million numbers in 1988-89 and it increased to approximately eight million numbers in 1990-91. The hike in the price of fuel and the growth in urbanisation is largely attributable to the increase in demand.²⁸

Though there are 16 units manufacturing bicycles, four units, viz., Hero cycles, Atlas, Avon and TI cycles account for over 80 per cent of production. Of these, Hero Cycles and Atlas have the largest licensed capacity of 18 lakhs each, followed by Avon (13 lakhs) and TI Cycles (8 lakhs).²⁹

3.4. Sales of Automobiles in Kerala

There has been considerable increase in the sale of motor cars in Kerala. From 1561 cars in 1981 the annual Sales increased to 4141 in 1991. It may be noted that the Sales of cars was more in 1989 and 1990 than in 1991. On the whole the Sale of Cars has increased almost three times within the span of the decade (Table 2.11). It may, however, be noted that several customers in Kerala purchase cars from outside the state for tax advantages. Considering this fact the overall Sales must be much more than what is stated above.

Table 2.11
Sales of Cars in Kerala

S.No.	Year	Kerala	India	Percentage Growth		
				Share of Kerala	Rate Kerala	Rate India
1.	1981	1,561	40,494	3.85	-	-
2.	1982	1,914	42,811	4.47	22.61	5.72
3.	1983	1,946	45,086	4.32	1.67	5.31
4.	1984	1,604	61,042	2.63	-17.57	35.39
5.	1985	2,615	101,844	2.57	63.03	66.84
6.	1986	3,611	105,707	3.42	38.09	3.79
7.	1987	3,649	151,136	2.41	1.05	42.98
8.	1988	4,164	158,781	2.62	14.11	5.06
9.	1989	4,742	172,034	2.76	13.88	8.35
10.	1990	4,469	169,730	2.63	-5.56	-1.34
11.	1991	4,141	152,922	2.71	-7.34	-9.90

Source: Computed from ACMA, Automotive Industry of India_ Facts and Figures 1991-92, Automotive Components Manufacturers Association of India, New Delhi, 1993, P.29

There has been significant increase in the Sales of scooters in the state during the last decade. The number of Scooters sold in Kerala was 3871 in 1981. Sales increased to 19534 in 1990. Evidently, there was almost a four fold increase in demand (Table 2.12). The percentage growth rate in demand has been very high during the last decade, except for a few years.

The motorcycle sales has also registered tremendous growth. From 1972 motorcycles in 1981, the sales of the product increased to 13,987 in 1990. The increase in Sales is over six times during the decade (Table 2.13). The rate of growth has also been very high for most of the years, although, there has been some fluctuation.

The data relating to the sale of automobiles in the state indicate that in almost all cases the rate of growth in demand for these products in Kerala has been significantly more than the rate of growth in demand in the country as a whole.

1.4. MEDIA SCENARIO IN INDIA

1.4.1. Print Media

Press has always been the most significant medium for market communication and today glossy magazines and sunday colour supplements of newspapers provide superlative services to advertisers. In India in 1989, there are 27,054 newspapers magazines and periodicals in over 20 languages with a combined circulation of 58, 284,000.³⁰ The number of newspapers in India

Table 2.12
Sales of Scooters in Kerala

Sl.No.	Year	Kerala	India	Percentage		
				Share of Kerala	Growth Rate Kerala	Growth Rate India
1.	1981	3,871	1,44,466	2.68	-	-
2.	1982	5,428	2,32,165	2.34	40.22	60.71
3.	1983	6,457	2,64,938	2.44	18.96	14.12
4.	1984	5,004	2,98,348	1.68	-22.50	12.61
5.	1985	7,619	3,92,273	1.94	52.26	31.48
6.	1986	9,374	5,04,103	1.86	23.03	28.49
7.	1987	10,791	6,14,664	1.76	15.12	21.95
8.	1988	7,983	6,23,970	1.28	-26.02	1.51
9.	1989	10,162	6,85,074	1.48	27.30	9.79
10.	1990	19,534	9,35,906	2.09	92.23	36.61
11.	1991	14,304	7,25,124	1.97	-26.77	-22.52

Source: Computed from ACMA, Automotive Industry of India -
Facts & Figures 1991-92, Automotive Components Manufacturers
Association of India, New Delhi, 1993, P.56.

Table 2.13
Sales of Motorcycles in Kerala

Sl.No.	Year	Kerala	India	Percentage		
				Share of Kerala	Growth Rate Kerala	Growth Rate India
1.	1981	1,972	1,06,803	1.85	-	-
2.	1982	2,064	1,24,557	1.66	4.67	16.62
3.	1983	3,096	1,55,475	1.99	50.00	24.82
4.	1984	4,017	1,68,212	2.39	29.75	8.19
5.	1985	5,544	2,40,744	2.30	38.01	43.12
6.	1986	8,270	3,12,725	2.64	49.17	29.90
7.	1987	6,768		2.26	-18.16	-4.29
8.	1988	10,665	404,288	2.64	57.58	35.08
9.	1989	11,648	411,089	2.83	9.22	1.68
10.	1990	13,987	4,56,323	3.07	20.08	11.00
11.	1991	12,382	3,46,326	3.58	-11.47	-24.11

Note: * Includes 17 GTS Motorcycles

Source: Computed from ACMA, Automotive Industry of India -
Facts & Figures 1991-92, Automotive Components Manufacturers
Association of India, New Delhi, 1993, P.50.

was 25, 536 in 1988. This shows an annual growth of 5.9 per cent. Similarly, the circulation of newspapers also registered an average annual growth of six per cent during the same periods, the circulation of newspapers was 54,873,000 in 1988. The total advertisement expenditure by the Indian industries increased from Rs.86 crores in 1976 to Rs.196 crores in 1980 and further to Rs.1,504 crores in 1990, indicating 550 per cent increase during 1981-90 period. Of this, the press media counts for 70 per cent, almost the same as in United Kingdom where its share is 68 per cent.³¹

Dailies

The number of daily newspapers increased from 2,281 in 1988 to 2,538 in 1989, registering an increase of above 11 per cent. Between 1979 and 1989, the number of dailies increased by 132 per cent. The circulation of daily newspapers increased from 21,563,000 copies in 1988 to 23,097,000 in 1989, registering an increase of 7.1 per cent.

The Tri-Bi weeklies also increased from 134 in 1988 to 144 in 1989. Their circulation increased from 1,77,000 in 1988 to 2,39,000 copies in 1989, showing an increase of 35 per cent³²

dicals

The majority of Indian newspapers were periodicals, which has increased to 24, 372 in 1989 from 23, 121 in 1988, indicating an increase of 5.4 per cent. Out of these as many as

8,740 (35.9 per cent) were monthlies, 8,353 (34.2 per cent) weeklies, 3684 (15.1 per cent) fortnightlies and 2,306 (9.5 per cent) quarterlies. In the total number of periodicals, 5.3 per cent were annuals, bi-monthlies, half yearlies and others. The total number of annuals has been 275 and bi-monthlies 1,012

Among the periodicals, weeklies are highest in circulation (18,293,000 copies), monthlies, come second with a circulation of 10,982,000 copies and the third place goes to fortnightlies with 4,812,000 copies. The share of circulation of weeklies has been 52.3 per cent, monthlies 31.4 per cent fortnightlies 13.8 per cent and other periodicals 2.5 per cent.³³

4.3. Press in Kerala

There were 1291 newspapers in the state in 1989 (Table 2.14). Among them 161 were dailies, 165 weeklies, 139 fortnightlies, 689 monthlies, 78 quarterlies 44 bi-monthlies, and half-yearlies, and 13 annuals. Language-wise analysis shown that as many as 996 newspapers were published in Malayalam and 119 in English.

4.3.1. Circulation

The Table 2.15 Summarises data regarding the circulation of newspapers in Kerala. The circulation data was available for 142 newspapers, which claimed a circulation of 65,96,083 copies in 1989³⁴. Of these, the dailies had the largest circulation with 18,18,946 copies, followed by the weeklies with circulation of 34,92,633 copies, monthlies 6,17,842 copies and fortnightlies

Table 2.14

Number of Newspapers in Kerala, 1989

Language	Dailies	Tri/Bi-weeklies	Weeklies	Fortnightlies	Monthlies	Quarterlies	Bi-monthlies	Half Yearlies	Annals	Totals
English	2	0	10	4	52	29	20	2		119
Hindi	0	0	0	0	4	0	0	1		5
Marathi	0	0	0	2	0	0	0	0		2
Malayalam	156	1	140	122	523	33	15	6		996
Malayalam (Manuscript)	0	0	0	0	0	0	1	0		1
Malayalam (Daily)	1	0	0	0	7	0	0	0		8
Bilingual	2	1	14	11	86	14	7	3		138
Multilingual	0	0	1	0	14	2	1	1		19
Others	0	0	0	0	1	0	0	0		1
Total	161	2	165	137	609	76	44	13		1291

Source: Govt. of India, Press in India, 1990, Ministry of

Broadcasting, Govt. of India, New Delhi, p.259.

Table 3.15

Number of Newspapers in Kerala, 1989

(in thousands)

Language	Dailies	Tri/Si-weeklies	Weeklies	Fortnightlies	Monthlies	Quarterlies	Bi-monthlies	Half Yearlies	Annals	Totals
English	64	0	77	0	0	0	1	0	0	142
Hindi	0	0	0	0	3	0	0	0	50	53
Malayalam	1755	0	3367	122	592	3	13	32	0	6329
Bilingual	0	0	48	0	20	0	1	0	0	69
Multiling	0	0	0	0	3	0	0	0	0	3
Total	1819	0	3492	567	618	3	15	82	0	6596

Source: Govt. of India, Press in India, 1990, Ministry of

Broadcasting, Govt. of India, New Delhi, p.258.

5,66,488 copies.

4.3.2. Leading Newspapers/Periodicals

Malayala Manorama with 1,99,0533 copies was the largest circulated newspaper in 1989. Amongst periodicals Mangalam, a Malayalam Weekly published from Kottayam was the largest circulated periodical with 12,11,135 copies.³⁵ Subsequently Malayala Manorama Weekly has secured the number one position in circulation.

4.4. Electronic Media

Print media, cannot cover all the population because nearly 50 per cent of the Indians are illiterate. Thus, the marketers are making use of the commercial services of All India Radio and Doordarshan for their messages.

4.4.1. Radio

Today there are an estimated 100 million radio receivers in India. For many advertisers of consumer durables, radio remains a key medium.³⁶ At present All India Radio has a network of 80 transmitters, and reaches 88 per cent of the population. The total duration of broadcasting on week days is 12 hours 45 minutes and on weekends and holidays 13 hours 15 minutes. Of the transmission, time 10 per cent is allotted for commercial advertising.³⁷ Besides, radio has longer broadcasting hours than television, Exposure to radio, especially in the rural areas where television has made little entry, remains high.

Studies by All India Radio itself had revealed that even in television owning households, radio listening is prevalent among 20

to 25 per cent. In the year 1989-90 alone, the top 12 advertisers including marketers such as Hindustan Lever, Dabur, Tata Oil Mills, Nirmal Chemical Works, Vicco Laboratories, Hindustan Ciba-Geigy, Bush India, J.K. Synthetics, Bisleri Beverages, Hamdard Laboratories, Clogate-Palmolive and Godrej spent roughly Rs.4.7 crore on advertising in the commercial service of Vivid Bharati.³⁸

4.4.2. Television

Though television advertising has been rather a late comer (started only on January 1, 1976) in India, it has made tremendous strides in commercial advertising.³⁹ Doordarshans advertising revenue had gone up from just about 15 crores in 1982 to nearly 150 crores in 1989.⁴⁰ Commercial services are available at 18 Doordarshan centres in India. Apart from them, currently there are 500 transmitting centres, covering about 85 per cent of the population in India.⁴¹ There are over 22 million television sets in use in India.⁴² The transmission of colour television programme was introduced in India on August 15, 1982. Prime time television transmission now reaches 180 million viewers. The most popular programmes among the television viewers are: feature films, chitrahars, plays, news bullettins, cartoon films, certain youth programmes, live coverage of games and sports and spot lights on current affairs.

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CHAPTER III

BUYER BEHAVIOUR MODELS: A REVIEW

Classification of Models

A distinction is usually made between theories and models. These terms are, however, used interchangeably in marketing literature. Both theories and models are concerned with providing a coherent and systematic structure for a field of study.

Various analytical approaches have been used for the study of consumer behaviour. Lunn has classified the different approaches of marketing analysts into three categories: 'a priori', empirical and eclectic.¹ Researchers adopting the 'a priori' approach have introduced concepts and theories adapted from other disciplines in social sciences, behavioural sciences in particular, to explain buyer behaviour. Since consumer behaviour is a specific aspect of human behaviour, the 'a priori' approach has some relevance. However, many of the concepts in behavioural sciences which are being adopted have been developed in contexts remote from buyer behaviour. Hence, the usefulness of the concepts are limited in marketing. The attempt of the 'a priori' researchers have been to fit consumer behaviour to already existing theoretical framework.

Researchers in the empirical category attempt to make generalisations based on empirical studies with limited scope, particularly based on observations from market research studies involving consumer panels.

Since the mid sixties the eclectic approach has been becoming increasingly popular. The attempt is to incorporate the strengths of the 'a priori' and empirical approaches and to avoid their weaknesses. The new research tradition attempts to synthesise the basic theories adopted from behavioural sciences with the findings of market research studies. The merit of the approach is the comprehensiveness of its perspective. The major problem is, however, the undue complexity of dealing with too many variables and interrelationships.

The state of the art, therefore, stipulates a synthesis of the theoretical postulates with empirical findings in any serious endeavour to analyse consumer behaviour.

0 Early Models

Some of the earliest behavioural models were used to explain the buyer's "black box". Kotler provides a summary of the relevant models.² The Marshallian economic model stressed the economic motivations. Marshallian man is concerned chiefly with economic cues - prices and income - and makes a fresh utility calculation before each purchase. The Pavlovian man behaves in a largely habitual rather than thoughtful way; certain configurations of cues will set off the same behaviour because of rewarded learning in

past. The Freudian model was based on psychoanalytic motivations. Freudian man's choices are influenced strongly by motives and fantasies which take place deep within his private world. The Veblenian model stressed social-psychological factors. Veblenian man acts in a way which is shaped largely by past and present social groups. The political model of Thomas Hobbes stresses the integration of personal and group goals. Hobbesian man seeks to reconcile individual gain with organisational gain.

The buyers "black box" has been illuminated by some of these models. However, none of these models succeeded in putting all these pieces of truth together into one comprehensive instrument for the analysis of buyer behaviour.

The Clawson Model

This is one of the earliest models developed to explain the buying decision process. It draws heavily from findings in behavioural sciences and thus provides an example of the a priori approach.

Joseph Clawson's³ model of buying behaviour was influenced by Gestalt psychology and the 'field' or 'topological' psychology of Kurt Lewin. Clawson assumed that tension exists in the purchase decision process and that behaviour is affected by the outcome of psychic conflict. His model analyses intensively the facts of Lewinian field theory which have applications to marketing behaviour, and helps to an understanding of psychological pressures and reactions which are experienced in buying situations.

Individual consumers are said to set the positive aspects (valences) against the negative aspects of a product under consideration; purchase results if the positive valences outweigh the negative valences, although the value of these valences do not remain stable and independent of all the pressures influencing an individual at a particular time.

Subjectivity in perception is another feature of the model. The importance of recognising that many objective phenomena are not, in fact, perceived by an individual, or that distorted appreciation is made of them, is emphasised. Another important aspect of Lewinian theory as adapted by Clawson relates to 'dimensionality' - the recognition that qualitative aspects influence consumer purchase decisions. The strengths or valences of these forces are described as ideal, aspiration, and achievement levels.⁴ The model does not go into the details of the complexities of buying decisions and the variables considered are few.

1.0 The Andreasen Model

This model develops a comprehensive model of customer choice behaviour based on several conceptions about attitude formation and change drawn from social psychology. Alan R. Andreasen,⁵ the originator of the model, stated that the key to attitude change is exposure to different kinds of information. This exposure may be voluntary or involuntary: 'the entire process from stimulus to outcome comprises an information - processing

cycle' which involves four stages, viz., input stimuli, perception and filtration, disposition changes, and various feasible outcomes.

Andreasen developed his theory from a simplistic model towards a model of complex decision-making process. He assumed that two cardinal strategies are adopted by marketing practitioners in order to attract favourable purchasing decisions - market segmentation, and product differentiation. The former strategy 'seeks to make marketing efforts (product design, distribution programme, etc.) fit existing attitudes and behaviour'; the latter attempts to change attitudes so that customers will accept existing product, outlets, and so on. Andreasen believed that his model of buying behaviour should be useful as a detailed organising concept for marketing decision makers who must take customer decisions explicitly into account when employing either or both of these strategies.

Attitude formation and change are central concepts of the model. Selective perception and distortion of product information may occur, effectively altering or eliminating communication planned by the marketer. Because information must pass through this perceptual barrier, and in doing so may lose some of its original character, Andreasen drew particular attention to the important role of attitudes in influencing buying decisions.

He held that the beliefs, feelings and dispositions an individual holds about a class of complementary products or brands affect his attitude towards new items in that product class.

Similarly, changes in attitudes towards some products in a class may affect attitudes towards other products in the same class. Marketers who seek to influence attitudes towards their products should bear in mind that channels of communication themselves are subject to perceptual judgement.

Andreasen considered that his model of buying behaviour could be viewed as a useful guide for the integration of much of the diverse literature in behavioural studies and as an attempt to develop a theoretical foundation for studying customer behaviour. In evaluating the model, it should be pointed out that although the relationship between attitude and behaviour is complex, the model postulates a unidirectional influence.⁶

The Nicosia Model

Nicosia⁷ is regarded as one of the leading figures in the eclectic approach. He developed a conceptual framework for analysing consumer behaviour specifying the major elements in buying decision process and their interactions. Nicosia gives the first comprehensive review of theories and findings in behavioural sciences relevant to consumer behaviour. A distinctive feature of the Nicosia model is the shift of emphasis away from the purchasing act itself and towards the buying decision process that precede and follow the purchase act. "The act of purchasing is only one component of a complex, ongoing process of decision making - a process of many interactions among many variables over time."⁸ The model makes use of the technique of computer flow charting.⁹

Nicosia identified four basic 'fields' in his flow chart that explains the 'structure of a consumer decision process'. Field one includes the firm's attributes and its products, media characteristics and target audience on the one hand and the consumer's space which is composed of environmental factors as well as the psychological factors such as personality characteristics and cognition, on the other. The message aimed at target audience is expected to result in the formation of an attitude towards the product or brand and this outcome forms the input for the next field.

In Field Two a search for and comparative evaluation of the advertised product take place. The model differentiates between internal search, the consumer's conscious and unconscious associations with the product, brand, etc., and external search, information gathered from both commercial and noncommercial sources. The input from the second field into Field Three may or may not be a motivation to buy the advertised brand. Field Three includes the possible transformation of the motivation into an act of purchase. If purchase takes place, Field Four is storage or use of the purchased item; the output is feedback which may or may not result in retention of the consequences of the purchase in the buyer's memory. The feedback of Field Four closes the "consumer's loop".

Critique

It is possible to level a number of criticisms at Nicocia's work. For instance, the search and evaluation process as represented is overrational, and although applicable to infrequently purchased high-cost products, it has little relevance for frequently purchased low-cost goods. Moreover, the definitions of attitude and motivation are unsatisfactory, and the attempt to formalise the model mathematically appears as prematurely ambitious.¹⁰ Further, his model is based on a very restricted example of advertising and product acceptance which tends to limit the usefulness of his theory.

The Howard-Sheth Model

The model is based on Howard's study in 1963.¹¹ This was the first truly integrative model in consumer behaviour study. The model is comprehensive enough to handle different classes of consumers. Compared to earlier models, it is distinguished by a richer specification of variables and their inter-relationships, and it attempts a much deeper and more detailed integration of theoretical positions from several behavioural sciences.¹² Four distinct sets of factors in the buying process were analysed in the model: (i) input (stimulus) variables, (ii) output (response) variables, (iii) hypothetical constructs, and (iv) exogenous variables.¹³

In the Howard-Sheth theory the most significant stimulus affecting the buyer behaviour consists of information cues about a set of characteristics of the product or brand (quality, price, distinctiveness, service and availability). These may come to him from the product itself, as would occur in the shopping activity. A similar set of cues could come in symbolic form from other impersonal sources such as advertising. Both these sources are commercial, representing the efforts of the firm. The third source is social information cues which could affect behaviour towards the product or brand and which may come from family, friends or other members of the groups with which the buyer comes into contact or to which he aspires. This third source differs from the first two in two respects. First, it is not commercial. Second, the social source is personal while the first two were impersonal.¹⁴

Just as there is a variety of inputs there is also a variety of buyer responses, which become relevant for different areas of marketing strategy.¹⁵ The outputs, from a hierarchy, are the various dimensions of buyer behaviour-attention, brand comprehension, attitude, intention, and purchase. The most important among these from the point of view of a seller is purchase.

The first of the two sets of hypothetical constructs in the Howard-Sheth model are those concerned with perception. These concepts pertain to the way the individual deals with information available if not attended to (attention) and is not always crystal

clear in its meaning (stimulus ambiguity). Some information cues may bombard the individual without his explicit consent, although he may at times engage in an overt search for information. Finally, any information cues to which the individual may attend may be distorted (perceptual bias) as a result of his own frame of reference. All of these are complex states or psychological processes.

The second set of hypothetical constructs in the theory relates to learning. The actual purchase, the observable behaviour, is related to the individual's intention. The various motives are critical as representations of the goals the individual attempts to achieve through his buying behaviour. These goals are derived from his needs, which range from the basic physiological needs to the higher-level learned needs (such as the need for prestige or aesthetic satisfaction). Most closely related to the buyer's intention is his attitude towards the product or brand. As is clear from the model, attitudes affect and are affected by a number of other variables, as well as being quite complex on their own.

Other learning constructs are brand comprehension, "knowledge about the existence and characteristics of those brands that form the buyer's evoked set of alternatives", choice criteria, "the buyer's mental rules, which he utilises to evaluate brands as goal-objects"; and confidence or "the degree of certainty" the

buyer has about his brand comprehension, attitudes or intentions. Finally, the model includes a construct, satisfaction, to refer to the post-purchase and post-use evaluation of the output of the process. This is, of course, the major "feedback" mechanism and is of central importance to learning.

The theory includes a number of variables which are not explained but which do influence some or all of the constructs discussed above and indirectly through those constructs the output (purchase). These are taken as given and often assumed to be constant. Howard and Sheth include several such concepts which they call exogenous variables. Social and organisational setting is felt to have an important influence on much of the buyer behaviour.

The influence of our reference groups on all our behaviour indicate the fact that we are social animals and look at each other for guidance regarding what to buy. Social class is based on a rich research tradition in social stratification. Sociologists have developed copious volumes of information on the influence of social class on all sorts of behaviour, and researchers in marketing have found it useful in explaining the behaviour of consumers. Culture is the shared, somewhat consistent, behaviour of a group of people. Financial status refers to "the funds available for purchasing goods and services during some specified

time period". Economists have too often over emphasised this variable (along with price, an input variable) to the exclusion of many others.¹⁶

Model Evaluation

Of the general models of buyer behaviour, some of which have been reviewed, the Howard and Sheth model appears to provide one of the most satisfactory explanations of consumer buying behaviour. The consumer is viewed not as a pawn in the business game, but as an active processor of data who has the ability to accept products. The complexity of many buying situations is usefully indicated by Howard and Sheth. It is a reminder that many decisions to buy, even those based on purely economic considerations, are subject also to so-called non-rational factors. This approach emphasises the essence of the marketing concept, viz., to supply goods and services that are designed to satisfy the identified needs of customer; to study the benefits which people are seeking to obtain through their consumption habits, and to offer them acceptable solutions to their problems of acquiring satisfactions both at the economic level and also at deeper levels involving emotions, cultural achievements, and related environmental needs.

Howard and Sheth have underlined the necessity for marketers to analyse their marketing strategy and tactics, and to relate these to some systematic appraisal of the buying influences which affect the acceptance of their products. The inter-

disciplinary approach offered by Howard and Sheth's model would be a very firm foundation on which to build individual theories.¹⁷

Engel - Kollat - Blackwell Model

This model¹⁸ is a more recent development than the Nicosia, and is conceptually simpler than the Howard and Sheth model while still being adequately comprehensive. It analyses the behavioural influences that affect the purchasing decision from the early stages of awareness of need through to the final stage of post-purchase evaluation. This sequential approach, based on the decision-process model of buying behaviour, takes account of the multiple influences to which the buyer is exposed.¹⁹ This model identifies the three major classes of variables that form the basis for understanding buyer behaviour; (i) stimuli from the external environment, (ii) characteristics of a buyer (the black box), and (iii) the responses to external stimuli made by the buyer.

Stimuli provide information that consumers must process. This task includes the stages of exposure, attention, comprehension, and retention.

Stimuli must interact with personal characteristic to produce consumer response. The central control unit of the Engel-Kollat-Blackwell model consists of (i) personality traits, (2) motives, (3) attitudes, (4) past information and experiences, and

(5) evaluative criteria. ²⁰

Consumer decision process may be extended, limited or habitual. An extended decision process is the most complete type of decision making. It begins when a consumer recognises a problem which might be solved by the purchase of some product. For less important or more routine purchase decisions, a consumer may go through a limited decision process by evaluating only those product/brand alternatives already known, with no attempt to search for new alternatives. ²¹

Engel and Kollat revised the model in 1982. In its present form, the model contains five components: (i) input stimuli, (ii) information processing, (iii) a decision process, (iv) decision-process variables, and (v) external influences. The form of these components and how they relate to each other varies depending on the degree of involvement that the consumer is experiencing in a given purchase situation.

Under conditions of high involvement, as might occur when purchasing a new car, the consumer perceives considerable importance in the purchase situation and is likely to engage in extensive (involved) problem solving behaviour. This is usually characterised by a serious effort at information search and an intensive evaluation of alternatives. Low involvement situations occur when the consumer perceives little personal relevance or importance to a purchase. In such cases, the purchase is likely to be made on the basis of existing levels of information and with

only modest levels of deliberation.

The core of the complete model in its high involvement version is the decision-process component which includes five basic stages, (i) problem recognition, (ii) information search, (iii) alternative evaluation, (iv) choice, and (v) outcomes.

Problem recognition occurs when the consumer is activated by awareness of a difference between his or her actual state of affairs and his or her concept of the ideal situation. This can occur through internal activation of a motive such as hunger, or by confronting some external stimulus such as advertisement. Purchase action occurs only when the consumer perceives a sufficiently large discrepancy between the actual and ideal states.

Once the consumer is aroused to action, the next stage is to undertake an information search. The first reaction is to review memory for stored information and experiences relevant to the problem. This information is in the form of beliefs and attitudes. The review leads to identifying a brand preference, and results in a routine purchase action. Many steps in the model will be bypassed because a satisfactory solution to the problem has already been identified. If an internal search does not provide sufficient information, the consumer will engage in an external information search and a more extensive problem solving behaviour. This results in exposure to a variety of informational inputs called stimuli, which can arise from personal sources as well as from published or mass-media sources. The extent of external search

will be influenced by the consumer's perception of the costs versus benefits of such activity.

The information inputs are to be processed. The stimuli must capture the consumers conscious attention to influence extensive problem solving. The attention stage is highly selective. The comprehension stage then involves deriving meaning from information. The alternative evaluation stage involves comparing information about alternative brands to evaluative criteria which are product-judging standards that have been stored in permanent memory.

Changes in consumers beliefs will modify attitudes. Favourable attitudes will lead to formation of a purchase intention. As the model shows, another influence on purchase intention is normative compliance, which is the extent to which the consumer is influenced to conform to expectations of other important people such as those in a group or family members. The purchase process involves a series of selections including the type of retail outlet as well as the specific brand. The consumer's choices may lead to two outcomes. One outcome is satisfaction from using the brand. The experiences will feed back into beliefs about the brand. A second outcome is dissonance, which is post decision doubt about the merits of a purchase when compared to unchosen alternatives.

The model recognises the external influences that affect the consumer's decision process. Cultural norms and values

certainly can affect the consumer's evaluation of the worth of the products. The consumer's lifestyle will influence the evaluation criteria used to judge products. A second set of external factors affecting a consumer's behaviour work through reference groups and family members.²²

Evaluation

Advantages of the Engel-Blackwell model include its consideration of the many variables influencing consumers, its focus on levels of consumer involvement, and its emphasis on the decision making process involved in purchases.²³ The model emphasises the necessity to investigate thoroughly the behavioural factors which may be particularly powerful in some buying situations.²⁴ Also the flow of the model is quite flexible. For example, the authors recognise that in numerous purchase decisions many of the detailed steps are bypassed, as in the case of routine purchase behaviour. A serious drawback of the model appears to be a vagueness regarding some variables. For example, the influence of environmental variables is noted, but their role in affecting behaviour is not well specified. The role of motives in influencing behaviour is also quite vague. In addition, the model has been criticised as being somewhat mechanistic in its treatment of the decision process.²⁵ One major criticism of the model is that the search and evaluation processes are portrayed as highly rational.²⁶ However, despite the limitations, it has been updated

regularly to accommodate new evidence about the behaviour of consumers. Because of this, the model has withstood the test of time quite well since its first introduction in 1968, and it continues to provide a very comprehensive framework for understanding the many facets of consumer behaviour.²⁷

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PART - II

CHAPTER IV
SOCIAL STRATIFICATION AND EMPIRICAL ANALYSIS
ON THE RELEVANCE OF SOCIAL CLASS

LITERATURE REVIEW

Students of marketing have become disenchanted with purely economic explanations of consumer choice behaviour. Income and price, though important, are not adequate for explaining differences in choice. As more and more variations in consumption patterns exist within the same income groups, this new perspective has reduced the importance of price as a determinant of choice. The theories of social stratification have proved to be fruitful source of explanation for these differences. ¹

Social Stratification and Social Class

The term social stratification refers to the process by which people in a society rank one another into different social positions. This results in a set of social classes, people in each social class sharing common beliefs, values and methods of behaving. People in the same social class associate more closely with one another than with people from different social classes. The values, wants and interactions that develop in these distinct groupings tend to have significant influences on consumers.²

Social class is a major influence on people's style of life and an important factor in determining their social and economic behaviour.³ In some product and service markets, consumption habits are largely differentiated by social group membership. The study of social classes and their buying behavioural characteristics should, therefore, be the legitimate concern of marketers.⁴ Social class variations in life style and often subtle and more important to the marketing of some products than others.⁵

A social class is a segment of the population whose members hold comparable positions in the socio-economic system and whose possession of some common characteristics clearly differentiate them from other people.⁶ These characteristics vary from age to occupation, type of dwelling, place of residence, size of income, ancestry, and family name, power, birth, personal qualities, inherited wealth, influence with authorities, prestige, education, caste, or a combination of these factors.

Social stratification has been defined as "a pattern of superimposed categories of differential privilege". Three features of this definition need to be emphasised for greater comprehension: (i) Social stratification is a socially accepted cultural pattern that assigns members of society a general position in the structure of society; (ii) Social stratification is superimposed by members of society by tradition and without either the will or conscious

knowledge of the majority; and (iii) Social stratification involves a system of differential privileges, goods, power, services, etc., among members belonging to different social strata.⁷

Stratification of society leads to a more or less enduring hierarchy of status. Each strata in a stratified society shows a different status or prestige level. Each status group shares a common social estimation of honour. Status groups are stratified according to the principle of their consumption of goods as represented by special 'style of life'.⁸

Studies on Social Stratification

From times immemorial social philosophers were concerned with the inequalities in societies. The ideas developed by these social philosophers are still relevant in the field of social stratification. The society that Plato envisioned was explicitly meant to be class-structured, so that all citizens belonged to one of three classes: the guardians, the auxiliaries, or the workers. In 'Politics' Aristotle also deals with social inequality. He identified three segments in the strata: one very rich, another very poor and a third mean. St. Thomas and St. Augustine were equally intent on prescribing the proper mode of arranging men in hierarchical orders and also in understanding why human society everywhere was characterised by such distinct and sharp gradations in power, property and prestige.

Machiavelli in his 'The Prince and the Discourses' identified tension between the elite and the masses as a constant feature of organised society. Later social philosophers including Locke, Burke and Bentham among the English, Rousseau among the French and Hegel among the Germans - were all aware that the emergence of social differentiation, based either on birth or inherent differences, or some combination of both, may present urgent problems, and each had his own notion as to what structure of government would deal most efficaciously with such difficulties.⁹

In addition to the economic dimension of stratification Max Weber¹⁰ added two other dimensions, power and prestige. He considered property, power, and prestige as three separate though interacting bases on which hierarchies are created in any society. Similarly, Weber made a distinction between class and status - class is absolutely an economic category, a product of the social order based on honour. He considers power as the most important variable in social stratification theory.

1 Modern Views

Studies of stratification on social reputation and prestige in America has been credited to Lloyd Warner.¹¹ He sought to develop a standard Index of Status Characteristics, based on such criteria as education, residence, income and family background, which he is believed Americans use to estimate each

other's social worthiness, i.e., the guidelines in choosing who will be one's friend and with whom he will permit his children to associate.

There are two schools of thought in sociology: equilibrium school and conflict school. Theorists in the equilibrium school tends to see society as an organism that strains towards maintaining itself in some form of balance. They stress on consensual features such as stability, functional interconnections and integration. To the conflict school, society is a collection of various institutions - economic, political, educational, etc., that are rather poorly integrated with each other. The unequal distribution of resources, power and prestige results in conflict among members of the society. Social stratification is thus conceived as a major source of continuing conflict in a society.

Innumerable stratification studies, varying in sophistication, significance and scope, have been carried out by sociologists especially since 1945 and virtually every study of any social phenomenon - whether it is population fluctuations, divorce rates, family styles, or whatever - takes into account the possibility that several factors indicative of social and economic phenomenon and resources will exert significant influence on the behaviour being studied.¹² An attempt is made here to analyse the significance of some of the important determinants of social class.

Social Class Determinants

Social class of an individual is not determined by occupation or income or any one criterion alone. However, it may be related to one or more of these factors. Individual or family income is often misleading as an indicator of social standing. Yet some researchers believe that money, far more than anything else, is what people associate with the idea of social class. Some even believe that it is the best single indicator available because certain occupations are held in higher esteem than others. The American researchers have always held housing as another key social class ingredient.¹³ However, the determinants of social class varies with the socio-economic milieu in each society and appropriate indicators for social class categorisation have to be developed for each society.

Social class differences evident in the Indian society cannot be satisfactorily explained by the factors accepted by Warner¹⁴ and other American researchers; income, occupation, type of houses and location of housing may be sufficient indicators of social class in a developed, urbanised, casteless, cosmopolitan society with a relatively short history. Social evaluation and status positions in the Indian society are determined by several other important factors as well. Determination of social class in India would entail ranking of individuals and families on the basis of the following factors:

(i) Occupation; (ii) Income and Wealth; (iii) Education; (iv)

Caste; and (v) Ethnic group.

The relevances of these social class indicators are outlined in the following section.

3.1 OCCUPATION

Occupational prestige is one of the important dimensions of social stratification. In all societies the households are evaluated according to the productive roles of the head of the household and their immediate kin. On the basis of such roles they are differentially evaluated and awarded differential prestige.¹⁵ There is a close association between social class and the occupations it follows. In modern societies people assign a special prestige value to many occupational titles. Although occupation is a widely accepted and probably the best documented measure of social class, we cannot determine the social status of an individual based on occupation alone. Occupation is a fair index of social class, its mode of life and general social standing.

Through the abolition of the zamindari system, the Indian tenant got the ownership of the land he cultivated and there emerged a new agricultural class having more or less a common standard of living, a relatively less inelastic income, a common group consciousness and thus they form a separate social class¹⁶.

However, in recent years within the agricultural class also social stratification has been developing. Some of the agriculturists have become tractor owners and white collar

agriculturists as a result of the application of the modern technology and others remain as low-class peasantry. 17

The white-collar jobs carry greater ⁿprestige than other jobs, though the former may not yield greater income. If the lower paid teacher is held in a greater esteem than the better paid technician, obviously income doesn't determine the social status. The ministers, the secretaries and the commissioners hold a higher position than the businessmen who have amassed wealth, though the former are of an inferior economic position.

Davis 18 identified two factors which are the determinants of relative rank of different occupations - (i) the functional importance of occupation; and (ii) the scarcity of personnel for the occupation relative to demand. But Johnson has put forward several problems in accepting the determinants of these occupational ranking as given by Davis. The same occupational title may hold many different degrees of talent, knowledge and skill. Therefore, occupational qualities rather than functional importance should be the determinant of occupational prestige. Similarly, there are many different jobs in the same occupation that are different in prestige. Thus, a 'school headmaster' in a small town may have less prestige than that in a large city. Likewise, the prestige of a chief executive may be rated by the size and prestige of his company. Sometimes, the same position can be filled with varying degrees of success. Therefore, the prestige to

be given to a role occupant should be judged in terms of role performance. Lastly, relative functional importance is usually easier to appreciate in a small social system than in a total society. Further, considerable variation is possible in functional emphasis. Thus religious functions in India have relatively higher prestige than in Russia.

The relative importance of an activity varies from time to time, according to the internal structure of the social system. In India religious functions do not enjoy today the same prestige they enjoyed in the Brahmanic age.¹⁹ During the last six or seven centuries there has been a basic change in the structure of occupational prestige. Earlier, the military, land-owning - and - managing, governmental and religious roles were somewhat more highly evaluated than the commercial, industrial, scientific, teaching and various other professional roles. But in modern times the latter roles carry as much prestige as the former.

Thus it is quite possible that at any given moment, certain occupations might be overrated or underrated and it is difficult to rank them according to their functional importance in an "absolute" sense; they are ranked according to their importance in the eyes of men in a particular social system.

It seems clear that within a modern industrial society occupation is the most important single (although by no means sole) index of general social position.²⁰

Many other characteristics are usually found to be closely dependent upon or associated with occupation; we can estimate fairly well the probability of the kind of income, educational level, housing, politics, etc.²¹ Except, mainly, for very wealthy people, income depends more on occupation than anything else. Thus income level, occupational prestige, official position and social class are all intimately related.

Limitations

If we take occupational status, as a single factor for social stratification people having different occupations may fall within the same income-bracket; some will be independent, others employers, others the employed. Also forming the socio-economic groups by taking occupation alone as a variable may lead to false conclusions. For instance, if we are forming the social strata of captains it will cause captains of ships, fishing-vessels and aircrafts in the same group, and this grouping can not be used to form a social stratum.²²

3.2 INCOME AND WEALTH

Different occupational roles in a society have divergent capabilities for earning income and for accumulating capital wealth. Every position that secures its incumbent a livelihood is by definition, economically rewarded. Thus, the amount of the economic return is one of the principal indices of social status.²³

Traditionally income levels have been an important consideration in determining who are prospects for products or services. The basis for this was not only the purchasing power, but the assumption that income was a prime determinant of social status and hence of purchase preferences. Although the correlation between income and buying habits cannot be ignored, it may well be the least important factor for many products. It should be stressed, however, that a position does not bring power and prestige because it draws a high income.²⁴ The source of income also is important in determining social status. The white-collar clerk may not earn more than a manual worker and even earn less, yet his status is higher in society compared to the social status of a manual worker.²⁵ There is similar relationship between inherited wealth and social prestige. The inherited wealth has got a higher prestige value in almost all societies.

Income and earned or inherited wealth have always been instruments both for making more money and for the purchase of access to more highly valued roles, as in the acquisition of education, or of titles of nobility, or of marriage partners. Thus, in the past as well as in the present, money has played its parts in the process of mobility. But this part may be diminishing in societies as access to education and highly valued positions are more directly dependent upon the display of achievement.²⁶

3 EDUCATION

Education has always been closely associated to class, status and power. But this link has radically changed in character. Education has become part of the economic foundations of modern society - a major avenue of social mobility, a central agency of social distribution²⁷.

Education is the process by which any society transmits to its new members the expected ways of behaviour. Men in society have always had differential access to education and erudition, with important consequences not only for their performance of different roles to which they were assigned at birth but for their opportunities to move into those other roles, often more prestigious, for which their 'natural' talents best suited them. The stratification of education and erudition in society has been markedly pyramidal until quite recently. Only since the nineteenth century has universal literacy been viewed as a socially necessary and morally desirable goal; and even now, the full equiponderance of opportunity for education remains, inspite of all the progress in this direction, more a hope than a fact.²⁸ Educational institutions play a vital role in selecting, training and then placing people in different positions in society. A society in which jobs need high academic qualifications increases the importance of education.²⁹

Social systems need the performance of certain universal

functions if they are to continue to exist. Education is a process concerned with some of these universal functions. It perpetuate a society's particular beliefs, values, and skills, i.e., it's culture. Individuals must have personalities fashioned in ways that fit into the culture. Education, everywhere, has the function of the formation of personalities. Education transmits and modifies social status across generations. It is an avenue for social mobility.³⁰

.4 CASTE

Caste system is a type of stratification system which is most rigid in matters of social mobility and distinctness of status. In a caste predominant society the membership of a caste determines the social status of the individual. Castes started as natural division of occupational classes and become an integral factor of a religious dogma which divided people into superior and inferior groups with different responsibilities, functions and standards of living.³¹ Caste is a system having superordination-subordination relationships, having hereditary membership, limited social intercourse, a divine ancestor and a common traditional occupation.

.4.1 The Indian Caste System

In India Caste has been the backbone of social stratification. In theory at least, no one ever changes his caste. This is most uniformly true in villages, where there is virtually

no opportunity to hide one's background, and where one can make a living only by engaging in the occupation typically assigned to his caste; one's primary position, therefore, is acquired or inherited but not achieved. Even under these conditions, however, some corroboration of status is required: one must live up to caste expectation or be turned out of his group.³²

The distinguishing features of Indian castes are as follows:³³

- (1) Membership in the caste is hereditary.
- (2) Choice of marriage partners is strictly endogamous.
- (3) Contact with other groups is further limited by restrictions on touching, associating with, dining with, or eating food cooked by outsiders.
- (4) Consciousness of caste membership is further emphasised by the caste name and by the individual's identification with his caste in the eyes of the community, by his conformity to the peculiar customs of his caste.
- (5) The relative prestige of the different castes in any locality is well established and jealously guarded.

The role of caste in the stratification of Indian society is indicated by the fact that most studies on social stratification in India have been by and large confined to the study of the caste system as a closed system. Louis Dumont³⁴ considered the caste

system as a closed system of social stratification. M.N. Srinivas considered pollution and purity as the basis of caste hierarchy. S.C. Dubey³⁵ says that pollution purity ideas are the factors which governing the interaction between different segments of society and 'the main criteria for the ranking of castes are ritualistic and not economic'.

Oskar Lewis³⁶ opines that caste system works as an integrating and cohesive factor in the village as it covers not only kinship ties but political and economic relationships too. Henry Orenstein³⁷ explains that 'pollution tends to produce alienation and dehumanisation' since it creates large differences in caste rank. Marriot,³⁸ has analysed caste ranking in five regions, viz., Kerala, Coromandal, Upper Ganges, Middle Indus, and Bengal Delta and found that caste ranking is more elaborate in Kerala than in any other region of the Indian sub-continent.

4.2 Weakening of the Caste System

Most of the studies on social stratification in India were based on caste. Occupation, wealth, social status, class, power, prestige and all other related things were determined by caste alone. However, the recent past have witnessed a silent transformation in Indian social life. Rigidities of a caste based society are fading fast. The discrimination based on caste have been reduced to some extent.

In the social stratification scenario of Kerala, caste has

been losing its dominance. Several factors have been responsible for the social change in Kerala ³⁹ which include: (i) the British rule and Western education; (ii) conversion to Christianity; (iii) the reformists movements; (iv) change in cultivation from paddy to plantation; (v) land reforms; and (v) attack by Indian constitution.

Although the forces of change have checked the sway of the caste system in India, caste discrimination continues to be a determinant of social status.

ETHNIC GROUPS

An ethnic group is generally conceived to be one whose members share a distinctive social and cultural tradition, maintained within the group by generation to generation, whether as part of a more entangled society or in isolation. But ethnic groups much more so than great associations and more often than classes (though not castes), are in-groups, maintaining cleavages between the "they" and the "we" in social life. Thus, an ethnic group is a nonvoluntary interest-conscious unity, generally without formal organisation and relatively unlimited in size, within which the members are linked together by both primary and secondary relationships.⁴⁰ Members of these groups develop a shared set of customs and values and a shared way of looking at themselves and at outsiders.⁴¹

The Indian society is a blend of several racial,

linguistic, religious and caste groups which have given rise to a multitude of ethnic groups in the country. Each of these ethnic groups is perceived to have a distinct social status. The diverse status of these ethnic groups have significantly contributed to the social stratification of the Indian society.

When a large number of ethnic groups live within the same society, it is probable that the different groups will possess quite different statuses and will experience different degrees of prejudice and discrimination. The status of the ethnic group to which a person appertains is a significant determinant of his social class. Further, the characteristics of the ethnic group will have a definite impact on his consumption behaviour. Styles, tastes, and values that are established within ethnic communities influence purchases.⁴²

SOCIAL MOBILITY

While analysing social stratification and the significance of social class in consumer behaviour a significant phenomenon that has to be given due consideration is the upward mobility of the social classes. This is particularly significant since the Indian society has been experiencing mobility of different classes.

Social mobility denotes the transition of an individual from one social position to another.⁴³ In other words, social mobility is the movement of individuals or groups from one strata of the society to another. The role of values, aspirations and

motivation as positive or negative elements in the mobility process is clearly of abundant importance. Networks of social relationships or social structures, are the routes through which ideas pertaining to mobility are transmitted. 44

5.1 Classification of Social Mobility

There are three principal types of social mobility, horizontal, vertical and geographical.

5.1.1 Horizontal Mobility

Horizontal social mobility refers to movement of individuals and groups between positions in society which are roughly of identical social status. In other words, it is movement within the same stratum of the society.⁴⁵

5.1.2 Vertical Mobility

Vertical social mobility is generally implied when one speaks of social mobility and refers to the two-way-movement - up or down - of individuals and groups from one stratum in society to another.⁴⁶ So vertical social mobility is meant the relations involved in the transition of an individual (or a social object) from one social stratum to another.

5.1.3. Geographical Social Mobility

Geographical social mobility refers to the move of a group from one geographic area to another. Such migration may also entail vertical or horizontal movement. Thus a newly immigrated

member of society may be accredited with social status that is higher or lower than he had in the society from which he emigrated or he may go on with the same status but may move horizontally to an occupation of equal social rating.⁴⁷

i.2. Factors influencing Mobility

There are several other factors that shape social mobility in various ways. Some of the more important of these are:

1. The class or caste structure in societies may itself change under the impact and influence of external and internal force of change. The rapid technological advancement and the urbanisation of rural areas are two such conditions which increase mobility and may cause ideological changes in society itself, giving rise to a new system or stratification.
2. Static conditions in society, on the other hand, hinder social mobility and serve to crystallise the existing class structure. When such conditions continue over long periods, status positions tends to become fixed and rigid and to be transmitted from generation to generation, moving increasingly towards the closed-class or caste type end of the continuum of stratification.
3. Territorial expansion and population movement into "new territories" on a reasonably large basis have proved conducive to flexibility of the stratification structure

and social mobility.

4. Free and effective communication and education, which cut across all strata boundaries, will serve to stimulate social mobility and weaken class barriers.
5. The extent of social mobility will be negatively influenced by the degree of division of labour that prevails in society.
6. High rate of population increase among lower classes serve to restrict and hamper opportunities for family members to rise socially because of economic stringency and consequent low levels of living.⁴⁸

5.3 Social Mobility in an Open Society

In a perfectly open society everyone's chance to locate the position most suitable for an individual is equal. Moreover, suitability for a particular task is a function of innate talent alone. Neither birth, nor differential access to training or motivation would in any way hinder the free flow of persons into their most suitable niches.

Social mobility is obviously a complex phenomenon, for in addition to the three directions in which movements can take place, there is the dimension of time. That is, changes can occur from one generation to another (intergenerational mobility), or within one generation (intragenerational or career mobility).

Another dimension by which systems of mobility can vary is the context or institution in which mobility occurs. Here

reference is to occupational or educational mobility, mobility in general evaluation, or changes in material resources or power.

The mechanisms of mobility forms yet another dimension. Persons acquire positions on ladders of stratification by ascription, achievement, maturation, and validation and also move from these positions into others by the same general routes. Another aspect is the unity of mobility - individuals, families, groups, strata, or whole societies - is the proper object of study.

A notable feature of mobility concerns the distinction between objective and subjective aspects of change in status. Objective aspect might be an annual salary increase. Subjective aspects of this change concerns the individual's feeling about it - whether he considers it an advancement, whether he defines it as advantageous, and whether he exerts efforts to attain it. What may seem to be an upward movement or advancement may be seen by others as no advancement at all or even a change for the worse.⁴⁹

The Indian Society has experienced tremendous mobility in the last few decades. In terms of the direction of change it has been an upward mobility. The continuing trend of a growing middle class is the indication of such mobility. Individuals, families and even small segments of the societies have been moving up in the social hierarchy, particularly from the lower strata. With the freedom movement and the socio-economic policies of the post independent governments, the closed social system has been opened up to a considerable extent.

Opportunities for education, market based entry into occupations, economic evolution, growing industrialisation and development of entrepreneurship irrespective of social strata are some of the major factors responsible for the social mobility, particularly upward mobility of vast sections of Indian population.

1.6 SIGNIFICANCE OF SOCIAL CLASS TO MARKETING

Dating back to the late 1940's marketers have alternately flirted with and cooled on the notion that W.Lloyd Warner's social class concept is an important analytic tool for their profession.⁵⁰ The six social classes identified in his work were upper-upper, lower-upper, upper-middle, lower-middle, upper-lower, and lower-lower. This categorisation system crossed over into marketing in the 1950's, and has been forwarded almost intact ever since, almost in recent years its germane has been questioned.⁵¹

The Warnerian idea that six social classes form the basic division of American society received tremendous attention from marketing analysts at a time when they were already dissatisfied with simple income categories and were pressed for more meaningful classifications relevant to advertising and marketing problems. However, in their endeavour to employ the social class concept, marketers have not always found it immediately and obviously relevant. Also the adoption of the concept and the results have

brought mixed reactions. While some analysts find it extremely useful, others feel that social classes are not more than income categories or occupational groupings.

Historical Perspective

The classification system based on the class concept got popularity in the marketing discipline when the proposition that consumer motivations varied consistently by social class was set forth in the 1950s by 'the Chicago group'. Pierre Martineau⁵² is usually credited with taking the lead in advocating that marketers and advertisers pay attention to the social class concept, by writing 'Motivations in Advertising'.

The research studies by the Chicago group in the late 1940s revealed that upper-middle Americans were pursuing different goals in home furnishing, appliances, clothing, food and leisure time use than lower-middles, who in turn had consumption objectives (and aesthetic preferences) markedly different from upper-lowers. Certain "Catch" phrases encapsulated these upper-class variations: upper-middles were identified with consumption choices reflecting "quality" and "taste"; lower-middles with "respectability" and "confirmity"; upper-lowers with "instant gratification". This became the accepted wisdom in marketing theory and practice through the 1960s.

During the 1970's, involvement with social class declined due to the emergence of alternatives such as life styles, age,

ethnic and racial subgroups, and even geographically related population breakdown.⁵³ There was a noticeable lack of novel evidence on its marketplace impact in the literature of the latter 1970s. Almost as far back as 1960, little was published about class that was truly new; most of what appeared in print merely repeated findings from the 1950's. Further, much of what has been learned about the social class role in consumption choices has remained the private property of research houses and their clients.

INCOME OR SOCIAL CLASS

There prevails a controversy among researchers about the relative importance of income and social class as determinants of buying behaviour. Since social class concept was introduced in marketing analysis as a better alternative to classification based on income, researchers have repeatedly addressed themselves to the issue whether social class or income better predicts consumer behaviour. Attempts have been made to establish the superiority of social class over income by citing the fact that families in the same level of income differ considerably with regard to the consumption of certain products and services. However, some studies have indicated that income provides better basis for segmenting markets than social class. Some products appear to be classless in their appeal and some product usages, particularly of consumer durables have been found to correlate more with income than with social class.⁵⁴ Further, certain studies have shown that

consumption of certain low priced consumer products correlates well with both income and social class.

Between the late 1950's and early 1970's, numerous studies have come out with conflicting conclusions as to whether social class or income is a better predictor of consumer behaviour. Actually the controversy began with the Pierre Martineau's⁵⁵ contention that social class is the best market segmentation variable. Wassen⁵⁶ gave more credit to occupation as a reliable index of social position because it is the main source of income and has more correlated with house-type and neighbourhood. Slocum and Mathew's⁵⁷ study of the use of credit cards by both income groups and social class concludes that: "social class proposition does not necessarily appear to be a more significant determinant of consumer behaviour than amount of income."⁵⁸ Myers, Stanton and Haug⁵⁹ also studied whether income or social class correlates better with consumer behaviour. They found that social class is basically inferior to income as a correlate of consumer behaviour.

The net result of this kind of studies was that the role assigned to the social class by marketing professionals went into decline. Little further attention was paid to similar studies until 1981, when two noteworthy reexaminations of the question were published almost simultaneously by Scaninger⁶⁰ and Dominquez and Page.⁶¹

Scaninger proposed the tentative generalisations that:

Social class is superior..... for areas of consumer behaviour that do not involve high dollar expenditures, but do reflect underlying life-style value;

Income is superior for products which require substantial expenditure and reflect ability to pay, yet are not perceived to be class-linked status symbols; and

Both must be used in combination for product classes that are highly visible, serve as symbols of status with class, and require either moderate or substantial expenditure.. Scaninger's propositions were in agreement with those of Wind⁶², whose contention was that the entire controversy as to whether income or social class is the more basic segmentation variable is spurious, since it is better to accept both as valuable, then determine product by product what contribution each makes. .

With regard to the relevance of social class and market segmentation, more postulates have been put forth by researchers than what was offered by Scaninger:

Social class may not always be a relevant consideration for segmentation since other criteria such as age and sex are more appropriate in certain cases.

Social class segmentation may not be relevant for undifferentiated products.

Social class segmentation is frequently more effective when used in conjunction with additional variables such as life-style. ^{63,64}

Problems in Using Social Class Concept

Numerous explanations have been offered for the apparent lackluster performance of social class as a basis for market segmentation⁶⁵. The major factor is the recent dramatic changes which have taken place in the economic, social and cultural climate in developed societies and which have diminished the differences in consumer behaviour between the classes. The Indian consumer is yet to reach this stage.

Another reason for apprehensions in using social class is that researchers often fail to account for the diversity within classes. Individuals within the same social class may show considerable discrepancy in their ratings on the variables comprising it. For example, some may have high level of education with low income or vice versa. This inconsistency in strata variables known as status incongruency or low status cristallisation, presents problems not only in ranking individuals but also in understanding their behaviour.

Diversity within social classes often emerge due to variations in income levels. Within each social class, there are families whose incomes are above average for their class and the others with income much below the average level. That is, there are 'over-privileged' and 'under-privileged' segments in each class. There will be marked variations in the consumption habits of

these different groups within the same social class which have not yet been taken care of by researchers.

It has been pointed out that the role of social class has too often been misunderstood or oversimplified, and that if the concept is applied in a more sophisticated and meaningful fashion, it will shed light on a great many problems to which, at first glance, it has not seemed particularly relevant.⁶⁶ Social class is of course conceptually complicated, philosophically upsetting, and methodologically challenging, yet it continues to offer provocative insights into consumption choices.

The social class categorisation provides a natural basis for the market segmentation in any society. There are numerous reasons for recommending social class as the most significant variable in market segmentation. The major reasons are the following:

- .) Social classes are homogenous groupings.
- i) Social classes are quantifiable.
- ii) Social classes are readily identifiable on a geographic basis.
- iv) Social class research is represented by a substantial interest in consumer behaviour.⁶⁷

Therefore, consumer researchers are trying to segment the market on the basis of social class categorisation and thereby relating product usage to social class membership.



METHODOLOGIES FOR SOCIAL CLASS CATEGORISATION

Different methods have been used by researchers to stratify social classes. The commonly used methods are the subjective method, the reputational method, the objective method and sociometric method.⁶⁸ In subjective method, individuals are asked to rank themselves in the social class hierarchy. However, since most people are reluctant to categorise themselves as either low or upper class, the middle class ends up with an unrealistically large share. In the reputational method, members of a community are asked to rank each other in the status system. This is appropriate to rank people in small communities and the scope of generalisation based on such studies on a national or state level scheme is seriously constrained. Sociometric method involve observing and asking people about their intimate associations with other people. This is similar to the reputational method. In the objective method, individuals are ranked on the basis of certain objective factors and are positioned accordingly in the social status hierarchy. Warner, for example, developed an Index of Status Characteristics (ISC) based on four socioeconomic indicators: occupation, source of income, house type and dwelling area. Carman applied this methodology for social class categorisation where the indicators were occupation, education and home value.

Despite the different approaches used to measure and categorise social classes, a number of limitations have been pointed out. Social class ranking is based upon an average of the person's position on several status dimensions, ignoring the individual's high and low rankings on particular dimensions. A person's social class is assumed to be stable, thus ignoring the effect of social class mobility. The social class of an entire family is measured examining the characteristics of the adult male wage earner and the characteristics of the other members, particularly their education, employment and income, are ignored. Resolving these methodological problems would make the social class concept more relevant to marketing decision makers.

EMPIRICAL ANALYSIS

ology for social stratification adopted in the Present Study

The objective method usually adopted for social stratification has been employed in this study. The social classes have been identified using an index developed based on a survey among experts including social scientists and professionals. A sample of 50 experts have been drawn from five categories: college professors, research scholars working in the area of social sciences, medical doctors, engineers and lawyers. The socio-economic variables used for social class index were income, source of income, education, occupation and caste.

Perceived value rating technique has been used to determine the relative ranking of the different variables and also to obtain the relative ranking of the sub-categories within each variable. The experts were asked to distribute 100 points among the variables in proportion to the relative significance of each variable in determining the social class. The same technique was used to identify the significance of sub-categories within each variable. Six pre-tested research schedules were used for the study.

The average score for the different variables were computed using the data from the expert survey. The average scores for the sub-categories were then multiplied by the respective scores obtained for the particular variables in order to obtain the weighted averages for each sub-category.

The weighted averages of the sub-categories were distributed among the families covered by the household survey depending on the sub-categories relevant to each household. In order to determine the cut-off points for different social classes, the total score obtained for all the variables by each family was computed. The sum of the total scores for all the 300 sample households was calculated. The arithmetic mean and the standard deviation of the sum were determined in order to find out the upper and lower limits of the scores of each social class.

Analysis

The relationships between possession of durables by sample households and four independent variables such as social class, income, education and occupation were analysed using regression analysis. To ascertain whether income or social class is the more reliable determinant of consumption of durables, multiple regression analysis has been employed using possession of durables as the dependent variable and income and social class as independent variables. The result of the analysis are given below:

Number of Classes

There is little agreement among researchers on how many class divisions are necessary to describe adequately the class structure of a particular society. Different studies have attempted to classify society into various classes, ranging from a two class system to nine class systems. Particularly, in Kerala, there has been hardly any study pertaining to social stratification. The present study made an attempt at this direction and identified four social classes. The upper class consists of 26 per cent of the respondents, the upper middles constitutes 25 per cent, the lower middles form 21 per cent of the respondents and the lower class consists of 28 per cent of the respondents (Table 4.1).

Table 4.1

Number of Respondents in Each Social Class

Sl. No.	Social Class	No. of Respondents	Percentage of Total
1.	Upper Class	79	26.34
2.	Upper Middle Class	76	25.33
3.	Lower Middle Class	61	20.33
4.	Lower Class	84	28.00
5.	Total	300	100.00

Table 4.2

Social class and Occupation of the Respondent

Sl. No.	Occupational Category	Social class				Total
		U	UM	LM	L	
1.	Professionals	76 (96)	36 (47)	-	-	112 (37)
2.	Non Gazetted Officers	3 (4)	37 (49)	30 (49)	-	70 (23)
3.	Skilled Workers	-	3 (4)	29 (48)	14 (17)	46 (16)
4.	Semi-Skilled Workers	-	-	2 (3)	34 (40)	36 (12)
5.	Unskilled Workers	-	-	-	36 (43)	36 (12)
6.	Total	79 (100)	76 (100)	61 (100)	84 (100)	300 (100)

Source: Survey Data

Note Figures in parentheses show percentages.

Characteristics of Social Class

This section provides a brief description of the social classes, identified by the present study.

1 Upper Class

The upper class in the present study includes families where the head of households are high-income earning professionals such as civil servants and businessmen. Occupation-wise categorisation (Table 4.2) indicate that 96 per cent of the male heads of households of families in this category are professionals which include civil servants, doctors, engineers, businessmen, etc. Educational attainments of the heads of households in families in the upper class are also high. It can be seen from Table 4.3 that about 71 per cent of them have above medium level of education, which implies graduation and above. More specifically, 32 per cent of them have post graduation or professional qualifications. The level of income is also very high: majority (87 per cent) of the families have annual income above Rs.3.5 lakhs (Table 4.4). Seventy five per cent of the families in this category have inherited wealth and 90 per cent of them have acquired wealth (Table 4.5).

Upper Middle Class

Respondent families which have been ranked as upper middle class, using the social class index, have heads of households with steady jobs and occupations. The people in this class include

Table 4.3
Social class and Level of Education of the
Respondents

Sl. No.	Level of Education	Social class				Total
		U	UH	LM	L	
1.	High	25 (32)	30 (39)	29 (46)	9 (11)	92 (31)
2.	Medium	31 (39)	22 (29)	8 (13)	2 (2)	55 (18)
3.	Lower	23 (29)	24 (32)	25 (41)	73 (87)	153 (51)
4.	Total	79 (100)	76 (100)	61 (100)	84 (100)	300 (100)

Source: Survey Data n=300 (High - 92; Medium - 55; Low - 153)

Note: Figures in parantheses indicate percentage to column total.

Table 4.4

Social Class and Level of Income of the Respondents
(Rs. Lakhs)

Social Class/ a. Level of Income b. (in lakhs of Rs.)	U	UM	LM	L	Total
1. > 3.5	69 (87)	3 (4)	-	-	72 (24)
2. 2.5 to 3.5	10 (13)	55 (72)	4 (7)	-	69 (23)
3. .25 to 2.5	-	18 (24)	43 (70)	6 (7)	67 (22)
4. 0.25	-	-	14 (23)	78 (93)	92 (31)
Total	79 (100)	76 (100)	61 (100)	84 (100)	300 (100)

Source: Survey Data

Note Figures in parentheses show percentages

Table 4.5
 Social Class and Wealth of the Respondents
 (in percentages)

Sl. No.	Social Class	Inherited Wealth	Acquired Wealth	Base
1.	Upper	75 (a)	90	79
2.	Upper Middle	81	75	76
3.	Lower Middle	48	52	61
4.	Lower	6	-	84

Source: Survey Data

Note (a) Read: 75% of the 79 respondents who were having inherited wealth.

professionals (47 per cent) and non-gazetted officers (49 per cent) (see Table 4.2). Sixty eight per cent of the heads of households in these families has medium or high level of education (Table 4.3).

Family income is indeed a highly significant factor. Majority of the respondent families have income in the range of Rs.2.5 lakhs to Rs.3.5 lakhs (Table 4.4). Only four per cent of the respondents have income above Rs.3.5 lakhs. The remaining 24 per cent are in the income bracket of Rs.25,000 to Rs.2.5 lakhs. Further, 81 per cent of the families have inherited wealth (Table 4.5).

3 Lower Middle Class

The occupation-wise data given in Table 4.2 relating to lower middle class show that 97 per cent of them are non-gazetted officers and skilled workers. Analysis of the educational levels of the heads of households indicates that 59 per cent of the people have medium or high levels of education (Table 4.3). The most significant observation in this regard is that more of the highly educated people are in this class (46 per cent). However, with regard to family income, they are at a lower position. Seventy per cent of the people in this class fall in the income group Rs.25,000/- to Rs.2.5 lakhs and 23 per cent of the people have annual income less than Rs.25,000 (Table 4.4). With respect to

wealth also, both inherited and acquired wealth, they are at disadvantage (Table 4.5).

LowerClass

People in this class have relatively low occupational status since 83 per cent of them are semi-skilled or unskilled workers (see Table 4.2). Their educational attainments are also low. Eighty seven per cent of the respondents have education up to or below matriculation (see Table 4.3). In terms of the level of income also they are at a disadvantage. As many as 93 per cent of the families in this category have annual income below Rs.25,000 (see Table 4.4). Further, only six per cent of the respondents have inherited wealth. Nobody has acquired wealth either (see Table 4.5).

The Relationship Between Consumption of Durables and the Social Class Indicators

Consumption of Durables and Occupation

Occupation has a special significance in the social stratification and consumer behavior. The present study made an attempt to analyse whether there is any relationship between possession of consumer durables and occupation by taking the possession of consumer durables (number of durables possessed) as dependent variable and occupation as the independent variable. Simple regression analysis (by using dummy variables) has been used

to test the relationship. The estimated regression line is given below:

$$\hat{Y} = 1.5889 + 0.64517X$$

(1.354) (2.220)

$$R^2 = 0.62$$

where, the figures in the parenthesis are the 't' values under the null hypothesis that the relevant population have a value zero.

The results obtained by regression analysis support the hypothesis that there exists a positive relationship between possession of durables and occupational levels.

2. Consumption of Durables and Education

It is generally believed that there is correlation between education and consumption of durables. The present study tried to verify this by fitting a simple regression (dummy variable method) equation. The number of durables in possession has been taken as the dependent variable and education, the independent variable. The regression line, thereby obtained, is given below:

$$\hat{Y} = 5.34031 + 1.05406X$$

(7.846) (3.105)

$$R^2 = 0.14$$

The results show that there is no statistically significant relationship between education and the number of durables consumed.

3 Consumption of Durables and Income

Unequal economic positions of the members of the society can influence the possession of consumer durables. To study whether there is any relationship existing between income and possession of consumer durables, a regression equation has been fitted by making use of the dummy variable method. For this the dependent variables taken are number of consumer durables in possession and the independent variable is income. The estimated regression line is as follows:

$$\hat{Y} = 3.93861 + 0.55273X$$

(8.683) (8.552)

$$R^2 = 0.558$$

The above equation leads to the conclusion that there is significant relationship between consumption of durables and income.

4 Consumption of Durables and Social Class

The values, wants and interactions that develop in various social classes have significant influence on the consumption of durable goods. In order to verify this a simple linear regression (using categorical variables) equation has been fitted. This has been done taking the number of durables purchases as the dependent variable and social class as independent variable. The regression line thus obtained is given as follows:

$$\hat{Y} = 4.04331 + 1.23382X$$

(5.995) (5.1)

$$R^2 = 0.5941$$

Inferences in the above equation show that there is relationship between social class and possession of consumer durables.

Consumption of Durables- Income Vs. Social Class

An attempt is made here to analyse the relationship between possession of consumer durables and the variables income and social class, by using multiple regression analysis, with the number of consumer durable in possession as the dependent variables and categorical (dummy) variables corresponding to each of the above two variables as the independent variables. The estimated regression line is as follows:

$$\hat{Y} = 2.7470 + 0.479966X_1 + 0.65063X_2$$

(3.397) (5.717) (2.293)

$$R^2 = 0.678$$

Here, the figures in the parenthesis are the 't' values.

The results show that there is significant relationship existing between the consumption of consumer durables and income and social class. It also indicates that social class has relatively more influence in consumption of durables than income.

6 Durables Possessed by Different Classes

Analysis of the possession of durables indicate that the extent of possession of durables under study vary across the different social classes. None of the lower class families had

refrigerators, pressure cookers, television sets, VCR/VCPs, cars, motorcycles/scooters, washing machines or vacuum cleaners (Table 4.8). Of the 14 products considered, eight products were not possessed by any of these families.

Among the lower middle class, none of the families had five of the fourteen products considered: refrigerators, VCR/VCPs, cars, washing machines and vacuum cleaners. In terms of consumption of durables, they are in a better position than families in the lower class.

Among the upper middle and upper classes, the level of consumption are relatively higher. All families in these classes had eight of these products. Some of the families in both these classes did not possess VCR/VCPs, cars, motorcycles/scooter, bicycles, washing machines and vacuum cleaners. However, the non-possession of these products is only among few families. Between the upper and upper middle classes, the possession of these durables are relatively less among the upper classes.

TABLE 3.2

Possession of Durables - Social Class - Wise

Sl. No.	Social Class & Possession	Upper Class	Upper Middle Class	Lower Middle Class	Lower Class
1	Refrigerator	100	100	-	-
2	pressure cooker	100	100	89	-
3	Mixie	100	100	98	61
4	Television Set	100	100	100	-
5	VCR/VCD	36	58	-	-
6	Radio	100	100	89	87
7	Taperecorder	100	100	100	65
8	Car	91	59	-	-
9	Motorcycle/Scooter	80	75	77	-
10	Bicycle	52	95	87	95
11	Washing Machine	86	76	-	-
12	Vacuum Cleaner	31	55	-	-
13	Foam Bed	100	100	97	46
14	Settee/Other Costly Furniture	100	100	85	70

Source :- Survey data.

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CHAPTER V

NEED IDENTIFICATION AND PURCHASE MOTIVES

LITERATURE REVIEW

Identification of the need or problem

Identification of the problem would refer to awareness of wants for particular attributes which the goods in question might supply¹. The individual becomes cognisant that a motive is not completely satisfied, that an aroused need requires some form of fulfilment². Consumers become aware of the problem or need through processing of information arising internally and this generates the drive or motivation to solve the problem. Thus, the process of problem recognition means that the consumer becomes aroused and activated to engage in some purposeful purchase-decision activity.

The motivation to resolve a particular problem, however, depends on two factors: the magnitude of the difference between the desired and actual states, and the paramountcy of the problem³. Problem recognition results when a consumer comprehends a difference of sufficient magnitude between what is perceived as the desired state of affairs and what is perceived as the actual state of affairs⁴. Further, if the problem is to engage the consumer towards behaviour aimed at solving it, the problem has to be sufficiently defined. In many problem recognition situations the consumer may engage in information search with a view to identify the problem clearly.

Problem recognition process may involve many variables such as perception, learning, attitude, personality characteristics and various reference group influences. Similarly, many economic and financial considerations may also shape the problem identification. Complex comparisons of factors such as the relative importance of various needs, attitudes about how limited financial resources should be allocated to alternative uses and attitudes about the qualitative level at which need should be satisfied are of significance in the problem identification. These need hierarchies may differ from one family member to another⁵.

Situations Leading to Problem Identification

Engel, Kollat and Blackwell, put forth numerous situations that may cause consumer problem recognition to occur. Purchase occasions commonly identified in marketing literature include the following:

Depletion of Previous Solution: Depletion of the previous solution to a problem through consumption is probably the most frequent determinant or reason for consumers recognising problems. As long as there is a basic need for the item, problem recognition should result from its consumption.

Dissatisfaction with Present Solution: Frequently, consumers become disgruntled with products they possess or do not possess to satisfy a need and this leads to problem recognition. The consumer may perceive a problem if the actual state is perceived as

atisfactory. Discontentment may lead the consumer to search for something new or different. Problem recognition in this case arises from a desire to do something novel for a change or possess something that is not possessed.

Changing Family Characteristics: Changes in the family's characteristics can lead to problem recognition. Different life-stage stages beget needs for different products. As the family lives, new problems are continually being recognised which create need for different kinds of goods over time.

Changing Financial Status: The financial status of the consumer has a very significant association with problem recognition. A change in financial status may trigger problem recognition as the consumer ascertains what purchases can be afforded.

Financial Expectations: The person may substantially change his or her desired state in a positive direction based on a financial expectation. Problem recognition, in this case, may lead to purchasing new products. Financial expectations are very important during the period prior to the purchase of durable goods. If the consumer expects deterioration in his financial expectations, the desired state will be altered in a negative direction.

Recognition of Other Problems: Problem recognition, mainly through perception of the desired state, is often the result of other decisions. For instance, a new residence often affects a consumer's perception of the requirement of durable household products. Under this type of circumstance, the consumer becomes

dissatisfied with the present solution because of the recognition of other problems.

Changing Reference Groups: In some instances, problem recognition occurs as a result of change in reference group, which, in turn, often influences the consumer's perception of the desired state.

Problem recognition sometimes occurs simply because the consumer wants a change. Consumers sometimes change to a new product or new brand even though they were satisfied with their present brand, merely for a change.

Marketing Activities: The marketer often try to precipitate problem recognition through promotional efforts aimed at the consumer.

Stage of Market Development: There is ample evidence that certain categories of consumers are likely to perceive the problem that eventually results in the purchase of a new product earlier or sooner than other consumers⁶.

Novelty: Novelty or the availability of a new product can also become the purchase occasion.

Results of Problem Identification

Two basic outcomes are possible as a result of problem recognition: (1) Not to pursue any further problem-solving behaviour, which might occur if the difference between the consumer's desired and actual states is not great enough to cause him to act to resolve the difference. Constraints such as time, social class values and differing family desires may also preclude further

decision activity by the consumer. (ii) The consumer will proceed into further stages of decision-making activity by engaging in information search and evaluation.

.Involvement of Family Members in Need Identification

The consuming units for most consumer durables are families rather than individuals. The decision making units with regard to these products are obviously families with varying degrees of involvement for different family members. Any analysis of the various stages in the buying decision process such as problem recognition should probe into the extent of involvement of different family members.

Economic theory provides no precise identification of the "consumer". Actually, the consuming unit may be one person or a family living together in a household. Several empirical considerations, such as the problem of assigning parts of family income and expenditures to individuals within the family, lead most economic analysts to use households as the basic consumer unit. The household is defined in economics as people living together and supported by the common pool of income⁷.

The family is a primary group that both earns and consumes. It varies from larger social systems in the sense that it performs what might be termed a mediating function⁸. Therefore, the family is both primary group characterised by intimate, face-to-face interaction and a reference group with members referring to certain family values, norms, and standards in their behaviour. The bonds

within the family are likely to be stronger than those in other small groups. Contrary to most other groups, the family functions directly in the role of ultimate consumer. Hence, the family functions as an economic unit, earning and spending money⁹.

The norms of larger social systems - culture, subculture, reference groups, social class, and so on - are filtered through and constructed by individuals in a family setting. The process of mediation may substantially alter the influences of larger social systems on individual consumption behaviour¹⁰.

The consumption requirements of each individual as well as the family must be satisfied from a common pool of financial resources. Consequently, individual needs must sometimes be subordinated to those of other family members or to the needs of the family as a whole. Thus, family members must establish individual and collective consumption priorities, decide on products and brands that satisfy their needs, and also decide where to shop, and how they are to be used in furthering family member's goals¹¹.

The marketing theory of family decision making consists of the following subparts:

Individual members of the family, their predispositions, and the underlying cognitive world of individual members, which are both external and internal.

Determinants of the cognitive world of individual members, which are both external and internal.

Determinants of autonomous versus joint family decision making.

The process of joint decision making with consequent inter member conflict and its resolution¹².

Role Structures

The allocation of roles to specific members of a family has an impact on its buying behaviour. Hill has delineated the family as 'a small-group system, intricately systematized internally into paired positions of husband-father, wife-mother, son-brother and daughter-sister. Norms prescribing the appropriate role behaviour for each of these positions specify how reciprocal relations are to be maintained, how roles are to be seen in buying behaviour and the areas of influence occupied by husband and wife¹³. Family role structure means the behaviour of nuclear family members at each stage in the decision-making process¹⁴.

Types of Decision-process Role structures

The concept of a decision making unit was first introduced in 1967 by Robinson, Farris and Wind. In consumer settings the roles of influencing, deciding, purchasing and using may be assumed by different family members¹⁵. The process by which goods and services are acquired typically involves joint decisions making¹⁶. Some matters of consumer choice and behaviour are not decided by individuals but by groups¹⁷. Researchers have long held that it is the household that is the relevant unit of analysis and not the

vidual consumer¹⁸. Families may, for example, choose a car or e together. This is referred to as joint decision-making. The vidualistic bias limits generalisation of theoretical ositions and empirical findings across consumer decision making exts^{19,20} because a significant portion of consumer information essing is done not by individuals acting alone but by two or persons in interaction²¹.

Specific roles are implicitly or explicitly assigned to ly members in the process of continuous interaction. The more inct the assignment of the roles, the greater is the ialisation and division of labour in the family. Hence role ntation tends to bring about less chances of joint decision ng. Even in joint decisions among families in which the roles clearly assigned, the participation of each member in the joint sions may partly depend on his expertise and specific role²². role structure are of significance to the marketer for they n influence the design and packaging of products, the types of il outlets handling the product, media strategies, creative tegies and many other types of decisions²³.

chase Process Roles

Family member roles as they relate to the purchase decision consumption process can be analysed into various categories. e are six role that may be performed by various family members.

First, a particular family member may be the initiator. In role, the suggestion may be made by the wife. A second role

; that of influencer, which is the person who informs or persuades others in a purchase situation. A third and related role is that of information gatherer in which one or more individuals will secure information related to the purchase. Often, the individual most knowledgeable in the product category will gather information.

The role of decision maker involves having authority to make the buying decision. The individual who makes this decision might be the same as the influencer or information gatherer. The purchaser role involves the act of purchase by one of the family members. The decider and purchaser need not be the same individual. At other times, however, the purchase may occupy a very strategic role in the brand decision²⁴. Sometimes, the purchaser may be referred to as the gatekeeper, that is, a family member who is able to control the flow of products into the family, the purchase may be consumed or blocked by this individual. In most food items women have the role of gatekeeper. At the home it is the housewife who chooses most products and most brands. Her decision may or may not be influenced by the likes and tastes of other family members²⁵.

Users are those who consume the product or service. A user may be the same person who performs each of the other roles, or it may be another person.

Purchase Motives

Research on motivation is inevitably related to the study of needs. In between motives and needs exists an interdependence: motives actuate and direct actions to be taken in fulfilment of

identified needs. Motivation acts as an energising force which originates, sustains, and directs activities towards diverse objectives²⁶. Motives influence consumers to develop and identify their basic strivings, i.e., safety, affiliation, achievement, or other desired states which consumers seek to achieve. Motives serve to guide behaviour in a general way across a wide variety of decisions and activities.²⁷

Motives have been classified, generally, as learned or unlearned, rational or emotional, conscious or unconscious, physical (biogenic) or psychological (psychogenic), etc. Nearly 70 years ago, Copeland²⁸ had listed 33 buying motives, classifying them as emotional or rational.

Motivation is subject to personal perception of needs, and until these needs have been stimulated by marketing stimulus, an individual consumer may perceive no reason to buy a particular product. His needs may be latent and unrecognised by him, although he may, in fact, benefit considerably from using a particular product. Impulse purchase often results from exposure to stimuli which awaken in an individual latent needs.

Motivation is, therefore, affected by the environment in which a person lives. In modern societies, there tends to be perceptual spur of needs by commercial firms, though the impact of these stimuli are affected by personal differences in perception. Exposure to the same set of stimuli does not mean that all members of the audience will react in the same way. Messages must be

meaningful to individuals and should suggest that the products or services they are sponsoring would help to solve personal needs and desires.²⁹ Motivational concepts are useful for understanding consumer behaviour. Some suggest that the generalised nature of their influence makes them more useful for understanding consumer choices among generic product classes.³⁰

Motives can exert either positive or negative influences on consumers. Positive influences attract consumers toward desired goals while negative ones direct them away from undesirable consequences.

Physiological Vs. Psychogenic Motives

Physiological motives are oriented towards directly satisfying biological needs of the individual, such as hunger, thirst, and pain avoidance. Conversely, psychogenic motives focus on the fulfilment of psychological desires such as achievement, affiliation, or status. Consumers often satisfy physiological needs and psychogenic motives together. In advanced societies, psychogenic motives dominate over physiological ones in affecting consumer's goals and acquisition of products to attain or express these goals.³¹

EMPIRICAL ANALYSIS

Need Identification for Consumer Durables

Problem recognition is the initial stage in the buying decision process. The family members who identify the need vary among different families. For a given product, different members identify the problem. The percentage of different family members involved in need identification for the particular products have been estimated and the average involvement of different members in need identification for all the product categories under study has been worked out (Table 5.1).

Data show that the predominant need identifier for durables is the male head of household as it happens in 37 per cent of the households. The female head of household plays the role of need identifier in 33 per cent of the families. Male children occupy the third position (20 per cent). Female children are the least significant family members who play the role of problem recognisers with regard to consumer durables.

Need Identification for Various Categories of Products

Category-wise analysis of the products selected for the study indicates that different family members play the role of need identification for different categories of products (Table 5.2). For instance, for kitchen appliances (pressure cooker, mixer and refrigerator) the wife (female head of household) is the predominant need identifier in 70 per cent of the households. Next to wife is the husband and the husband plays the role in 23 per

Table 5.1

Family Member who Identifies the Need for consumer Durables

Sl No.	Need Identifier	Percentage to total
1	Head of the Household-Male	37
2	Head of the Household-Female	33
3	Daughter	10
4	son	20
5	Others	0
Total		100

Table 5.2

Family Member who Identifies Need for various categories of Durable products
Among Sample Households

(in percentages)

Sl No	Need Identifier	Kitchen Appliance	Entertainment Items	Vehicles	Costly furniture & Cleaning Devices
1	Head of the Household-Male	23	39	50	37
2	Head of the Household-Female	70	12	4	48
3	Daughter	4	20	6	6
4	Son	3	29	40	9
5	Others	0	0	0	0
Total		100	100	100	100

nt of the families. Children do not seem to play any significant role in need identification for this category of products.

In the case of entertainment products (television set, R/VCP, radio and tape recorder) it is the children who play the role most often (49 per cent), taking both the male and the female children together. For vehicles (car, motorcycle/scooter and cycle) the husband is the major need identifier. Further, in the case of furniture, foam bed and cleaning devices the wife plays the major role of need identifier.

Need Identifier for Different Products

Analysis of the data relating to need identification for particular products indicates that while husband is the major need identifier with regard to five products, the wife plays the role in relation to five other products and the children act as problem recognisers for the remaining four products selected for the study (table 5.3).

The only product for which the female children play the role of the key need identifiers is television set. The male children are the major problem recognisers with regard to VCR/VCP, motorcycle/scooter and bicycle.

The male head of household is the dominant need identifier for radio, tape recorder, foam bed, costly furniture and motor car. The female head of household takes lead role in need identification for refrigerators, pressure cookers, mixies, washing machines and vacuum cleaners.

Table 5.3

Index of Family Members who Identify the need
for Different Products

(In Percentages)

<u>Need Identifier</u> <u>Products</u>	Head of the Households Male	Head of the Households Female	Daughter	Son
Refrigerator	.56	1	0	.04
Pressure Cooker	.2	1	.01	0
Mixie	.26	1	.05	0
T.V. Set	.78	0	1	.89
VCR/VCP	.69	0	.44	1
Radio	1	.1	0	.13
Taperecorder	1	0	.25	.75
Car	1	0	.03	.03
Motorcycle/ Scooter	.45	0	.13	1
Bicycle	.75	.04	0	1
Washing Machine	.31	1	0	0
Vacuum Cleaner	.38	1	0	0
Foam Bed	1	.98	0	.15
Costly Furniture	1	.75	0	.1

Further analysis of need identification for particular products reveals pertinent information (Table 5.4). With respect to refrigerator, although the wife is the leading need identifier (55 per cent), the husband also plays the role to a significant level (33 per cent). The female children do not seem to play any significant role in problem recognition in this regard.

Problem recognitions in relation to pressure cooker and electric fans are primarily done by the female head. With regard to TV sets, children play the dominant role; in particular, the female children play the dominant role. While in 60 per cent of the households the children play the role (female children 31 per cent and male children 29 per cent), the male head of household play the role in 27 per cent of the households. The female head of the household play the role in the least number of households.

Problem recognition for entertainment items other than television set is primarily done by the male members of the households. Need identification for video cassette recorder, tape recorder and radio are done most often by the male head of households or the male children. In the case of VCR/VCP, in 40 per cent of the households, the problem recognition was done by the male children and in 30 per cent of the households by the male head of household. The female children play the role in 22 per cent of the households. It may further be noted that in 62 per cent of the households surveyed, the children identify the need for the

Table 5.4

Family Members who Identify the Need for Different
Products Among Sample Households

(In Percentages)

Identified Products	Head of the Households Male	Head of the Households Female	Daughter	Son	Total
Refrigerator	33	55	5	7	100
Pressure Cooker	17	78	3	2	100
Styrene	20	76	4	0	100
T.V. Set	27	13	31	29	100
ICR/VCP	30	8	22	40	100
Radio	61	14	9	60	100
Caperecorder	39	11	18	32	100
Car	78	6	8	8	100
Motorcycle/ Scooter	28	4	11	57	100
Bicycle	42	2	0	56	100
Washing Machine	24	62	7	7	100
Vacuum Cleaner	26	42	16	16	100
Coam Bed	47	46	0	7	100
Mostly Furniture	53	40	1	6	100

duct. Rarely do the mothers play the role (3 per cent). For the recorders the male head of household is the dominant need identifier (39 per cent) while male children play the role in 32 per cent of the households. Need identification for radio had been done predominantly by the male head of household (61 per cent).

Problem recognition for personalised modes of transport such as cars, motorcycles/scooters and bicycles is done most often by the male members of the families. In the case of car, it is the male head of household who identified the need in 78 per cent of the families. With respect to motorcycles and scooters, problem recognition in most families is done by the male children (57 per cent); in 28 per cent of the families, it is the male head of household who identified the need. Bicycles are purchased based on need identification by the male children in 56 per cent of the families and by the male heads of households in 42 per cent of the families.

Cleaning devices such as washing machines and vacuum cleaners are purchased as a result of need identification by the male heads of households in most families (washing machine 62 per cent and vacuum cleaner 42 per cent). In the case of furniture the need identification is more by the male head (53 per cent) than the female head (40 per cent). However, with respect to foam beds, the need identification role is played almost equally by both the sexes, males in 47 per cent of the cases and females in 46 per cent.

Need Identification Across Different Social Classes

The general index of the need identification process for the consumer durables covered by the study provides pertinent information (Table 5.5). Among the upper class families the female head of household is the prominent need identifier. In all other classes it is the male head of household who is the dominant need identifier.

Family Member who Identifies Need for Various Products - Social Class-wise

The empirical data regarding the social class-wise need identifier or various products reveal that among all social classes the female head of the household is the key need identifier for kitchen appliances, except for refrigerators among upper classes where male head of the household is the key need identifier. (Tables 5.6 and 5.7). The male head of the household is the second most dominant need identifier in all classes except the upper class.

With regard to entertainment items the key need identifiers are the male head of the household in the upper middle class and lower class. Male children are the most dominant need identifiers in the upper class and lower middle class. The exception is with regard to radio. For this product female head of the household in the upper and male head of the household in the lower middle and lower class are more often the need identifiers.

The purchasers of vehicles show that the male head of the

Table 5.5
Index of Family Members Who Identify Need for Consumer Durables -
Social Class-wise

Sl. No.	Social class & Need Identifier	Upper class		Upper Middle Class		Lower middle class		Lower class	
		Index	Rank	Index	Rank	Index	Rank	Index	Rank
1.	Head of the Household Male	.54	3	.78	1	.60	1	.84	1
2.	Head of the Household Female	.66	1	.56	2	.44	3	.50	2
3.	Daughter	.21	4	.11	4	.10	4	.04	4
4.	Son	.46	2	.13	3	.56	2	.40	3

Index of Family Members Who Identify Need for Different Products - Social Class-wise

Social Class & Needs Identifier	Upper Class		Upper Middle Class		Lower Middle Class		Lower Class										
	Head of the Head of the Household		Head of the Head of the Household		Head of the Head of the Household		Head of the Head of the Household										
	Household Male	Household Female	Household Male	Household Female	Household Male	Household Female	Household Male	Household Female									
1. Refrigerator	1	0.26	0.17	0	0.89	1	0	0.15	-	-	-	-	-				
2. Pressure Cooker	0.24	1	0.03	0	0.2	1	0	0.11	1	0.11	0	-	-				
3. Mixie	30	1	0.06	0	0.26	1	0.09	0	0.16	1	0	0	0.35	1	0.01	0	
4. Television Set	0	0.67	0.67	1	1	0.47	0.67	0	0.71	0	0.76	1	-	-	-	-	
5. VCR/VDF	0	0.46	0.46	1	1	0	0	0	-	-	-	-	-	-	-	-	
6. Radio	0	1	0	0.18	1	0.36	0.13	0	1	0.13	0	0.47	1	0	0	0.29	
7. Tape-recorder	0	0.63	0.47	1	1	0.35	0.23	0	0.51	0	0	1	1	0	0	0.21	1
8. Car	0	1	0	0.19	1	0	0.45	0	-	-	-	-	-	-	-	-	-
9. Motorcycle/Scooter	0	0	0.15	1	1	0	0	0.61	0.45	0.27	0	1	-	-	-	-	-
10. Bicycle	0	0.23	0	1	1	0	0	1	0.63	0.1	0	1	1	0	0	0	0.54
11. Washing Machine	1	1	0	0	0.15	1	0	0	-	-	-	-	-	-	-	-	-
12. Vacuum Cleaner	1	0	0.91	1	0.37	1	0	0	-	-	-	-	-	-	-	-	-
13. Foam Bed	0.81	1	0	0	1	0.89	0	0	0.86	1	0	0.47	0.81	1	0	0	0.32
14. Costly Furniture & other Amenities	0.76	1	0	0.09	1	0.7	0	1	0.46	0	0	0.11	0.85	1	0	0	0.23

Family Members Who Identified the Needs for Different Products among ...

Need Identifier	Upper Class				Upper Middle Class				Lower Middle Class				Lower Class					
	Head of the Household		Daughter		Son		Head of the Household		Daughter		Son		Head of the Household		Daughter		Son	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1. Refrigerator	59	20	15	6	43	48	1	8	-	-	-	-	-	-	-	-	-	-
2. Pressure Cooker	20	70	6	4	17	83	0	0	9	82	9	0	-	-	-	-	-	-
3. Mixie	22	72	5	1	19	74	7	0	14	86	0	0	26	71	2	1	-	-
4. Television set	4	28	28	40	32	24	27	17	27	12	28	33	-	-	-	-	-	-
5. VCR/VDP	3	24	24	49	34	22	22	22	-	-	-	-	-	-	-	-	-	-
6. Radio	4	75	4	17	67	24	9	0	52	13	7	28	44	16	16	24	-	-
7. Taperecorder	5	29	23	45	54	23	17	6	30	11	11	48	38	9	15	38	-	-
8. Car	0	84	0	16	69	0	31	0	-	-	-	-	-	-	-	-	-	-
9. Motorcycle/Scooter	0	0	13	87	62	0	0	38	26	16	1	57	-	-	-	-	-	-
10. Bicycle	0	19	0	81	50	0	0	50	35	8	3	54	65	0	0	35	-	-
11. Washing Machine	39	39	11	11	18	62	10	10	-	-	-	-	-	-	-	-	-	-
12. Vacuum Cleaner	28	17	27	28	27	73	0	0	-	-	-	-	-	-	-	-	-	-
13. Foam Bed	45	55	0	0	53	47	0	0	35	40	4	21	38	47	0	15	-	-
14. Costly Furniture	41	54	0	5	52	38	5	5	62	29	1	8	41	48	0	11	-	-

Source: Survey Data n = 300 (U = 29; UM = 76; LH = 61; L = 84)

household is the key need identifier in the upper middle and lower classes. In the lower middle class, it is male children. In the upper class, the female head of the household is the key need identifier for car.

Among upper middle class families, the male head of the household and male children are almost equally dominant in the need identification for bicycles.

With respect to foam bed, the wife is the dominant need identifier in all classes, except the upper middle class. For mostly furniture, while the male head of household is the major need identifier among the middle classes, the wife play the role in upper and lower classes. For vacuum cleaner, the female head of household is the major need identifier among upper middle class families, while among the upper class households the male head of the household and the male children take the leading role, almost equally. The prominent need identifier for washing machines is the wife in most upper middle class families, while among upper class households the role is played almost equally by both husband and wife.

Occasion for Need Identification of Consumer Durables - General

Purchase occasions commonly identified in marketing literature include the following:

Dissatisfaction with the existing solution to satisfy a need;

The need to replace an old product;

change in financial status;
change in family life cycle stage;
construction of a new house (or moving into a new house); and
availability of a new product (novelty).

The empirical analysis made an attempt to find the major occasions for need identification of consumer durables under study. Dissatisfaction with the existing solution for satisfying a particular need has been reported as the most dominant reason for the purchase of consumer durables (Table 5.8). The implication is that certain types of products have been purchased for the first time and the relevant needs had not been adequately satisfied earlier. The second most important occasion for need identification is the change in financial status. Change in life cycle is the third significant occasion for need identification for durables. Novelty is the fourth important occasion for need identification. The need to replace old product is fifth in rank order. The construction of a new house does not appear to be a significant occasion for need identification for durables.

Occasion for Need Identification of Various Categories of Products

In the case of kitchen appliances, the most significant occasions for need identification are dissatisfaction with the existing solution and replacement of old product (refer Table 5.9). For entertainment items, the most relevant situations leading to need identification are change in financial status and novelty.

Table 5.8

Index of Occasion for Need Identification for Consumer Durables

Sl. No.	Occasions	Index	Rank
1	Dissatisfaction with the present solution	.95	1
2.	Replace old product	.20	5
3.	Change in life cycle	.23	3
4.	Change in financial status	.33	2
5.	Novelty	.226	4
6.	New house	.04	6

TABLE 5.9
 OCCASION FOR PURCHASE OF VARIOUS
 CATEGORIES OF PRODUCTS AMONG SAMPLE HOUSEHOLDS
 (In Percentages)

Sl. No.	Product Category	Kitchen Appliances	Entertainment Items	Vehicles	Costly Furniture & Cleaning Devices
1	Dissatisfaction with the present solution	57.3	35.5	49.0	59.3
2	Replace old product	16.3	9.5	9.7	6.5
3	Change in life cycle	13.0	9.0	17.3	7.0
4	Change in financial status	9.0	22.0	13.3	13.5
5	Novelty	1.7	22.3	9.3	5.5
6	New House	2.7	1.7	1.4	8.2

tisfaction with the present solution and change in life cycle are the most important occasions for vehicles. For costly furniture and cleaning equipments, dissatisfaction with the present solution and new house are the key occasions for need identification.

Occasion for Need Identification of Different Products

Dissatisfaction with the present solution is the most important occasion for need identification of the durables, except VCR/VCP and television set (refer Table 5.10). For the television, change in financial status and novelty are equally important occasions for need identification. The most dominant occasions leading to need identification of VCR/VCP is the change in financial status. For two-wheelers both, change in life cycle and dissatisfaction with the present solution are equally important occasions leading to problem recognition.

Evidently, dissatisfaction with existing solution is the most significant purchase occasion: out of the 14 products under consideration for 12 products this is the major purchase occasion (Table 10). As families evolve from subsistence levels of living, higher levels of aspirations increase for satisfying need which hitherto remained unsatisfied. Particularly, with the upward mobility of social classes, acquisition of consumer durables becomes the most important requirement for the new life-style.

Occasion for Need Identification of Consumer Durables - Social Class-wise

The social class-wise analysis of the occasion for need

Table 5.10

Index of Occasion for Need Identification for Different Products

1. Occasions 2. ----- 3. Products	Dissatisfaction with the present solution	Replace old products	Change in life cycle	Change in finan- cial status	Novelty	New House
4. Refrigerator	1	.19	.24	.24	0	.05
5. Pressure Cooker	1	.56	.18	.09	0	0
6. Mixie	1	.13	.19	.06	0	0
7. Television Set	.96	.35	.52	1	1	0
8. VCR/VCP	.33	0	0	1	.89	0
9. Radio	1	.25	.20	.04	.11	0
10. Taperecorder	1	.21	.14	.26	.30	0
11. Car	1	.45	.20	.53	.33	0
12. Motorcycle/ Scooter	1	.14	1	.29	.29	0
13. Bicycle	1	.04	.16	.09	.04	0
14. Washing Machine	1	.07	.11	.11	0	.11
15. Vacuum Cleaner	1	0	0	.12	.21	0
16. Foam Bed	1	.24	.30	.20	0	.17
17. Settee & other Costly Furniture	1	.10	0	.56	0	.28

Table 5.11

Occasion for Need Identification for Different Products
Among Sample Households

(in percentage)

Products	Ref.	P.C.	Music	T.V	VCR/VCP	Radio	Telex	car	M.V	single	WM	VC	F B	weekly
Occasions														house
Dissatisfaction with the present solution	58	48	66	24	15	57	46	40	32	75	71	75	48	43
Replace old product	11	28	10	10	0	16	12	18	8	3	5	0	13	8
Change in life cycle	14	11	14	14	0	13	9	8	32	12	8	0	16	4
Change in financial status	14	7	6	25	45	4	14	21	12	7	8	9	11	26
Novelty	0	3	2	25	40	8	16	13	12	3	0	16	2	4
New House	3	3	2	2	0	2	3	0	4	0	8	0	10	15
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

(Source: Survey Data) n = 300

entification of consumer durables reveals that the dissatisfaction with the present solution was the most dominant occasion for need identification among all the social classes (Table 5.12). The second most dominant occasion for need identification among the upper middle class and the lower class is change in financial status. Change in life cycle stage is the second most frequent occasion among the lower middle class. Novelty is the second most occasion for the upper class. Construction of new house is the most significant occasion for need identification among all classes, except the lower class.

Occasion for Need Identification of Different Products - Social Class-wise

Dissatisfaction with the existing solution has been identified as the major occasion for need identification of different consumer durables, irrespective of the social class. Among upper class families, for 11 out of the 14 products the dominant occasion was the dissatisfaction with existing solution (Table 5.13 & 5.14). The products which differ in terms of occasion for need identification were VCR/VCP, ^{motorcycle/scooter} and vacuum cleaner, ^{by VCR/VCP and vacuum cleaner} novelty and motorcycle/scooter change in life cycle stage were the dominant occasions among the upper class families. In the case of television set, apart from the dissatisfaction with the existing solution, change in financial status and novelty were also equally significant.

In the upper middle class, except for three products (television set, VCR/VCP and vacuum cleaner), dissatisfaction with

Table 5.12

Index of Occasion for Need Identification for Different Products
- Social Class-wise

Social class and Index	Upper Class		Upper Middle Class		Lower Middle Class		Lower Class	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Dissatisfaction with the present solution	.88	1	.84	1	.96	1	.98	1
Replace old products	.24	4	.24	4	.09	5	.32	3
Change in life Cycle	.24	4	.22	5	.31	2	.13	5
Change in Financial status	.25	3	.42	2	.28	3	.43	2
Novelty	.31	2	.38	3	.14	4	.02	6
New House	.07	5	.09	6	.01	6	.29	4

Index of Occasion for Need Identification for Different Products - Social Class-wise

Sl. No.	Social Class & Occasions	Upper Class						Upper Middle Class						Lower Middle Class						Lower Class						
		A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	
1.	Refrigerator	.40	0	.25	0	.11	1	.13	.27	.21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2.	Pressure Cooker	.55	.17	0	0	.17	1	.50	.20	.20	.20	0	1	.32	.50	.18	0	0	0	0	0	0	0	0	0	
3.	Mixie	.22	.14	.14	0	.08	1	.10	.23	.06	.06	0	1	0	.37	.15	.15	0	1	.31	.19	.11	0	0	0	
4.	Television Set	0	.33	1	1	0	.50	.29	.29	.74	1	0	.61	.39	.61	1	.61	0	0	0	0	0	0	0	0	
5.	VCR/VCP	.28	0	0	.72	1	0	.64	0	0	1	.64	0	0	0	0	0	0	0	0	0	0	0	0	0	
6.	Radio	.37	.37	0	.22	0	1	.51	.20	0	.11	0	1	0	.39	0	.11	.11	1	.30	0	.23	.14	.09	.09	
7.	Tape-recorder	.38	0	0	.38	0	1	.39	.39	.84	.61	0	1	0	.31	.18	0	0	1	.18	.30	.30	0	.18	.18	
8.	Car	.52	.19	.19	.19	0	0	.38	0	1	.62	0	0	0	0	0	0	0	0	0	0	0	0	0		
9.	Motorcycle/Scooter	.46	.46	1	.27	.24	0	1	0	.62	.62	1	.62	1	.36	.36	0	0	0	0	0	0	0	0	0	
10.	Bicycle	1	0	.26	.07	.10	0	1	0	.18	0	.10	0	1	.10	.15	0	0	1	.12	0	.20	0	0	0	
11.	Washing Machine	1	0	.28	0	.17	0	1	0	.13	0	.13	0	0	0	0	0	0	0	0	0	0	0	0	0	
12.	Vacuum Cleaner	.62	0	0	.20	1	0	.16	0	.11	.08	1	0	0	0	0	0	0	0	0	0	0	0	0	0	
13.	Foam Bed	1	.47	.47	.34	0	.34	1	.17	.45	.09	0	.17	1	0	.12	.12	.12	0	1	.74	.29	.74	0	.45	.45
14.	Costly Furniture	1	0	.06	.27	0	.25	1	.55	.15	.91	0	.39	1	0	.53	.23	0	.88	.25	0	1	0	1	1	

(Figures in Percentage)

Occasion	Upper Class						Lower Middle Class						Lower Class											
	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F						
Refrigerator	57	23	0	14	0	6	62	8	17	13	0	0	--	--	--	--	--	--	--	--	--	--	--	--
Pressure Cooker	50	29	9	9	40	36	8	5	16	25	9	0	50	16	25	9	0	0	--	--	--	--	--	--
Television set	50	14	9	9	0	5	69	7	16	4	4	0	60	0	22	9	9	0	62	19	10	7	0	0
Television set	24	5	10	26	26	5	28	9	9	33	31	0	19	12	19	31	19	0	--	--	--	--	--	--
WRAVES	14	0	0	36	50	28	0	0	44	28	0	0	--	--	--	--	--	--	--	--	--	--	--	--
Radio	31	19	19	11	0	55	28	11	0	6	0	0	62	24	7	7	57	17	13	8	5	0	0	0
Tape Recorder	45	20	5	5	20	5	31	12	12	26	19	0	17	0	21	12	0	0	36	10	17	17	10	0
Car	48	26	9	9	9	0	19	0	50	31	0	0	--	--	--	--	--	--	--	--	--	--	--	--
Motorcycle / Scooter	19	19	41	11	10	0	26	0	16	16	26	16	58	21	21	0	0	0	--	--	--	--	--	--
Bicycle	65	19	5	7	0	72	0	14	0	8	8	0	80	8	12	0	0	0	76	9	15	0	0	0
Washing Machine	69	0	19	12	12	80	0	10	0	10	0	10	--	--	--	--	--	--	--	--	--	--	--	--
Vacuum Cleaner	31	10	50	10	50	12	0	8	6	74	0	0	--	--	--	--	--	--	--	--	--	--	--	--
Flair Bag	28	13	18	13	0	17	53	9	24	5	0	9	73	0	9	9	9	9	34	23	9	22	14	0
Cosmetics Furniture	50	4	7	17	4	16	33	18	5	30	0	12	57	0	0	20	13	0	28	8	0	32	32	0

Source: Survey Data n = 300 (Upper = 79; Upper Middle = 74; Lower Middle = 41; Lower = 84)

A = Dissatisfaction with the present solution; B = Replace old product; C = Change in life cycle; D = Change in Financial Status; E = Novelty; F = No - was.

he existing solution is the most frequent occasion for need identification. This is so in the case of 11 of the 14 products. Of the remaining, for television set and vacuum cleaner problem recognition is occasioned by the opportunity for novelty. For motorcycle and scooters dissatisfaction with the existing solution and novelty are equally significant need identification occasions.

Dissatisfaction with existing situation is the most frequent occasion for need identification for durables among the lower middle class families except for television sets. For all products, except costly furniture, dissatisfaction with the existing solution is the most frequent occasion for need identification among the lower class families as well.

Purchase Motives for Consumer Durables - General

The data reveal that most of the durables are purchased to satisfy motives which are social or esteem related (Table 3.15). The most important purchase motive for consumer durables relates to the satisfaction of social needs. The most dominant motive as reported by the respondents, relates to the statement "most of our family friends have it". This is followed by the negative motive of the loss of status on account of non-possession indicated by the statement "most people in our social group feel that it is bad not to have it". The third significant motive relates to the fact that consumers tend to purchase the product when they see that others have already bought it. The motive ranked fourth relates to the statement that "most people in our

Table 5.15

Index of Purchase Motives for Consumer Durables

Sl. No.	Motives	Percentage	Index	Rank
1.	The product has become a very essential item for a family.	11.4	0	
2.	Most people in our social group consider it very essential	14.1	.56	5
3.	Most people in our social group have it	14.7	.69	4
4.	People buy it when they see others have bought it	14.8	.71	3
5.	Most people in our social group feel that it is bad not to have it.	15.3	.81	2
6.	Most of our family friends have it.	16.2	1	1
7.	Most of our relatives have it.	13.1	.35	6

cial group possess the durable item". Next in importance is the factor that the members of the consumer's social group consider the possession of such products very essential.

All these factors in fact express different dimensions of the basic social motive. Further, it is pertinent to note that people purchase these products not because the products have become very essential for the family. That is why the statement "the product has become a very essential item for a family" received only the seventh position in the index calculated for the analysis of the motive behind purchase of consumer durables.

Purchase Motives for Various Categories of Products

Analysis of the purchase motives for various product categories indicates that the key motives behind the purchase of kitchen appliances relates to its importance in social standing (table 5.18). It is pertinent to note that the consideration that the products are essential for the family is also reported significant for these items. Predominance of the social motives are clearly evident for other product categories also.

Another pertinent observation is the relevance of the family friend's possession of the products as the key motivating factor in the purchase of kitchen appliances, entertainment items and vehicles. The key motive behind the purchase of costly furniture and cleaning devices relates to the statement "people buy it when they see others have bought it".

TABLE 5.16

PURCHASE MOTIVES FOR DIFFERENT CATEGORIES OF PRODUCTS

IN PERCENTAGE

SL. NO.	Product Category Motives	Kitchen Appliances	Entertainment Items	Vehicles	Costly furniture and Cleaning Devices
1	A	14.8	7.9	12.9	11.2
2	B	12.5	14.3	15.4	14.1
3	C	15.3	14.9	12.7	15.6
4	D	14.5	14.8	13.4	16.1
5	E	15.2	16.4	13.2	15.9
6	F	15.4	17.3	18.2	15.7
7	G	12.3	14.4	14.2	11.4

- Note 1. A - The product has become a very essential item for a family
 2. B Most people in our social group consider it very essential
 3. C - Most people in our social group have it.
 4. D - People buy it when they see others have bought it
 5. E - Most people in our social group feel that it is bad not to have it.
 6. F - Most of our family friends have it
 7. G - Most of our relatives have it.

The social motives which are relevant for the purchase of durables are almost equally important in the purchase of each product. The significance of the different motives do not vary with the products under study, except for pressure cooker, mixie and bicycle (Table 5.17). These three products are considered by consumers as very essential items for a family and the first rank is assigned to the essential nature of product. The social motives behind the purchase of the products are, however, very evident, particularly for mixie and pressure cooker. These factors indicate that pressure cooker and mixie are durables which are considered as essential for a family compared to other products and at the same time the purchase of these items have importance in the satisfaction of social needs.

The products related mostly to the negative motive of the loss of status on account of non-possession are refrigerators and washing machines. Possession of durables by family friends acts as a strong motive behind the purchase of several consumer durables. With respect to seven of the 14 products considered, this factor receives the first rank. In the case of three other products, this factor gets the second rank.

Purchase Motives for Consumer Durables - Social Class-wise

Social class-wise analysis of the purchase motives for consumer durables indicates that consumers belonging to the various social classes buy the products mostly to satisfy the social needs

Table 5.17

Index of Purchase Motives for Different Products

Sl. No.	Motives Products	A	B	C	D	E	F	G
1.	Refrigerator	.46(6) [†]	.61(5)	.77(3)	.69(4)	1(1)	.84(2)	0
2.	Pressure Cooker	1(1)	0	1(1)	.50(4)	.63(3)	.71(2)	.37(5)
3.	Mixie	1(1)	0	.74(4)	.81(3)	.58(6)	.91(2)	.65(5)
4.	T.V. Set	0	.79(4)	.90(3)	.55(6)	.96(2)	1(1)	.65(5)
5.	VCR/VCD	0	.66(5)	.60(6)	.77(3)	.93(2)	1(1)	.72(4)
6.	Radio	0	.23(6)	.55(4)	1(1)	.77(2)	.70(3)	.39(5)
7.	Taperecorder	0	.72(4)	.83(2)	.64(5)	.75(3)	1(1)	.73(3)
8.	Car	.14(5)	.73(2)	.07(6)	.26(4)	0	1(1)	.40(3)
9.	Motorcycle/ Scooter	0	.54(5)	.81(2)	.33(6)	.74(3)	1(1)	.68(4)
10.	Bicycle	1(1)	.06(5)	0	.48(2)	.42(3)	.12(4)	.12(4)
11.	Washing Machine	.11(5)	.65(3)	.78(2)	.56(4)	1(1)	0	.78(2)
12.	Vacuum Cleaner	0	.81(4)	1(1)	.94(2)	.56(6)	.87(3)	.63(5)
13.	Foam Bed	.78(4)	.73(5)	.61(6)	.81(3)	.96(2)	1(1)	0
14.	Costly Furniture	.75(3)	.13(6)	.53(5)	.83(4)	.88(2)	1(1)	0

Note: 1. Brackets Indicate the rank order

2. A- The product has become a very essential item for a family.

3. B- Most people in our social group consider it very essential

4. C- Most people in our social group have it

5. D- People buy it when they see others have bought it

6. E- Most people in our social group feel that it is bad not to have it.

7. F- Most of our family friends have it.

8. G- Most of our relatives have it.

Table 5.18

Purchase Motives for Different Products
Among Sample Households

	In Percentages						
Motives	A	B	C	D	E	F	G
Refrigerator	12.9	14.2	15.5	14.8	17.4	16.1	9.1
Pressure Cooker	15.8	12	15.8	13.9	14.4	14.7	13.4
Styrene	15.7	11.4	14.6	14.9	13.9	15.3	14.2
T.V. Set	7.9	15.2	15.2	13	16.7	17.1	13.9
VCR/VCP	4.2	14.2	13.2	15.8	18.3	19.3	15
Radio	12.0	13	14.4	16.4	15.4	15.1	13.7
Taperecorder	7.3	14.8	15.9	14	15.1	17.7	15.1
Car	10.8	19.6	9.8	12.7	8.8	23.6	14.7
Motorcycle/ Scooter	9	13.9	16.3	12	15.7	18	15.1
Bicycle	18.8	12.6	12.2	15.4	15	13	13
Washing Machine	11.1	15	15.9	14.3	17.5	10.3	15.9
Vacuum Cleaner	3.1	16.3	19.4	18.4	12.2	17.3	13.3
Foam Bed	15.1	14.6	13.4	15.4	17	17.4	7.1
Costly Furniture	15.6	10.5	13.8	16.3	16.7	17.7	9.4

A - The product has become a very essential item for a family.

B - Most people in our social group consider it very essential

C - Most people in our social group have it

D - People buy it when they see others have bought it

E - Most people in our social group feel that it is bad not to have it.

F - Most of our family friends have it.

G - Most of our relatives have it.

(Table 5.19). The most important purchase motive as reported by the upper class, conforms to the statement "most of our family friends have it". For the upper middle class families, the key motives have been reported as "most people in our social group consider it very essential". The respondents belonging to lower middle and lower classes reported the negative ^{motive} of "most people in our social group feel that it is bad not to have it" as their predominant motive behind the purchase of durables.

Purchase Motives for Different Products - Social Class-wise

Purchase motives for different products across different social classes are analysed in Table 5.20 & 5.21. For most of the products, the purchase motives are indeed social, irrespective of the social classes. There is, however, significant differences in perspectives among the different social classes. The products which the respondents belonging to the upper class considered essential were pressure cooker and foam bed, while to the upper middle classes, they are pressure cooker, mixie and radio. The only product which the lower middle classes considers as essential is mixie. To the respondents in the lower class, bicycle is the essential consumer durable.

The upper class consumers are primarily motivated to purchase what their "social group consider as very essential" and what their "family friends have" (Table 20). In the case of five of the products the former and in four the latter appear as the purchase motive. Even among the upper middle class families, what the social group consider as very essential, followed by possession

Purchase Motives for Different
Different Consumer Durables Among Sample Households- Social Class-wise

(in percentages)

Sl. No.	Social Class	Upper Class		Lower Middle Class		Upper Middle Class		Lower Middle Class		Lower Class	
		Percentage	Index of Purchase Motive	Percentage	Index of Purchase Motive	Percentage	Index of Purchase Motive	Percentage	Index of Purchase Motive	Percentage	Index of Purchase Motive
1.	A	10.6	0	10.5	0	-	0	12	0	9.3	0
2.	B	15.6	0.86	16.2	1	1	0.67	14.9	0.67	14.2	0.6
3.	C	14.7	0.71	14.4	0.68	5	0.53	14.3	0.53	15	0.7
4.	D	13.8	0.55	13.5	0.53	6	0.37	13.65	0.37	15.4	0.75
5.	E	14.9	0.74	15.1	0.81	3	1	16.3	1	17.4	1
6.	F	16.4	1	15.9	0.95	2	0.57	14.44	0.57	15.7	0.79
7.	G	14.2	0.62	14.5	0.7	4	0.56	14.42	0.56	13.1	0.47

Source: Survey Data n = 300 (Upper Class = 79; Upper Middle = 76; Lower Middle = 61; Lower = 84)

- Note :
1. A - The product has become a very essential item for a family
 2. B - Most people in our social group consider it very essential
 3. C - Most people in our social group have it
 4. D - People buy it when they see others have bought it.
 5. E - Most people in our social group feel that it is bad nto to have it.
 6. F - The male head of the household was more keen to purchase it than other family members.
 7. G - The female head of the household was more keen to purchase it than other family members.

Rank of the Purchase Motives for Different Consumer Purchase Motives - Social Class - Wise

(in percentage)

Sl. No.	Social Products	Upper Class						Upper Middle Class						Lower Middle Class						Lower Class									
		A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G
1.	Refriger.	-	4	2	5	3	1	6	-	1	3	2	3	4	5	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.	Press.Bk.	1	4	5	-	6	2	3	1	4	6	7	5	3	-	2	6	5	-	1	3	4	-	-	-	-	-	-	
3.	Nixie	2	4	5	6	-	1	3	1	4	4	6	5	2	3	1	4	3	-	2	4	5	-	2	6	5	3	1	4
4.	TV Set	-	2	5	4	3	1	6	-	1	5	4	2	3	4	6	2	-	3	1	4	5	-	-	-	-	-	-	
5.	VCR/VCP	-	5	3	4	2	1	5	-	4	1	5	2	3	6	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.	Radio	6	3	1	-	4	-	5	1	3	5	2	6	4	6	4	5	-	1	3	2	6	-	5	4	3	2	1	
7.	Tape Reco.	-	1	5	6	3	2	4	-	3	4	5	6	2	1	-	5	4	6	1	2	3	-	4	3	2	1	5	6
8.	Car	6	1	-	4	3	2	5	-	4	5	6	2	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	
9.	Mot.Cycl/ Scooter	-	3	4	5	1	2	6	-	4	6	5	1	3	2	-	4	3	2	1	6	5	-	-	-	-	-	-	
10.	Bicycle	-	6	3	4	5	2	1	2	4	-	5	6	3	1	5	1	3	-	4	6	2	1	4	2	-	6	3	5
11.	Wash.Mach	-	1	2	6	3	4	5	-	1	5	4	2	3	6	-	-	-	-	-	-	-	-	-	-	-	-	-	
12.	Vac.Clean	-	1	5	4	2	3	6	-	1	3	5	2	4	6	-	-	-	-	-	-	-	-	-	-	-	-	-	
13.	Foam Bed	1	2	5	6	3	4	-	2	1	5	6	3	4	-	6	4	2	5	3	1	3	1	4	3	2	5	6	
14.	Cos.Furn.	6	1	-	5	2	3	4	6	1	5	-	4	3	2	-	2	3	4	1	6	6	-	5	4	2	1	3	6

Source: Survey Data n = 300 (Upper Class = 79; Upper Middle = 76; Lower Middle = 61; Lower = 84)

- Note :
1. A - The product has become a very essential item for a family
 2. B - Most people in our social group consider it very essential
 3. C - Most people in our social group have it
 4. D - People buy it when they see others have bought it.
 5. E - Most people in our social group feel that it is bad not to have it.
 6. F - The male head of the household was more keen to purchase it than other family members.
 7. G - The female head of the household was more keen to purchase it than other family members.

Table 5.21

Index of the Purchase Motives for Different Consumer Durables - Social Class-Wise

Sl. No.	Social Products	Upper Class						Upper Middle Class						Lower Middle Class						Lower Class									
		A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	G			
1.	Refriger.	0	0.57	0.72	0.49	0.61	1	0.22	0	1	0.66	0.85	0.66	0.52	0.2	-	-	-	-	-	-	-	-	-	-	-			
2.	Press.Ck.	1	0.68	0.51	0	0.15	0.85	0.71	1	0.57	0.35	0.13	0.46	0.72	0	0.58	.58	0.2	0.38	0	1	0.5	0.4	-	-	-			
3.	Mixie	0.9	0.41	0.28	0.18	0	1	0.62	1	0.39	0	0.1	0.25	0.78	0.61	1	0.49	0.71	0	0.85	0.49	0.2	0	0.43	0.09	0.12	0.34	1	0.23
4.	TV Set	0	0.81	0.64	0.69	0.76	1	0.51	0	1	0.51	0.64	0.99	0.87	0.64	0.07	0.91	0	0.88	1	0.84	0.46	-	-	-	-	-	-	-
5.	VCR/VDP	0	0.69	0.86	0.8	0.88	1	0.69	0	0.79	1	0.74	0.94	0.88	0.55	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.	Radio	0.24	0.76	1	0	0.51	0.95	0.44	1	0.66	0.5	0.95	0.24	0	0.53	0.17	0.44	0.33	0	1	0.6	0.65	0.7	0	0.77	0.78	0.86	0.93	1
7.	Tape Reco.	0	1	0.59	0.42	0.72	0.85	0.65	0	0.77	0.55	0.46	0.33	0.96	1	0	0.72	0.78	0.57	1	0.98	0.92	0	0.79	0.84	0.87	1	0.74	0.56
8.	Car	0.28	1	0	0.64	0.88	0.96	0.58	0	0.82	0.68	0.09	0.96	0.87	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Mot.Cycl/ Scooter	0	0.88	0.8	0.64	1	0.92	0.45	0	0.63	0.51	0.6	1	0.82	0.91	0	0.34	0.46	0.54	1	0.2	0.29	-	-	-	-	-	-	-
10.	Bicycle	0	0.16	0.55	0.36	0.22	0.71	1	0.92	0.46	0	0.3	0.16	0.81	1	0.27	1	0.57	0	0.35	0.18	0.84	1	0.52	0.85	0	0.33	0.65	0.48
11.	Wash.Mach	0	1	0.93	0.64	0.8	0.77	0.68	0	1	0.44	0.74	0.91	0.87	0.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.	Vac.Clean	0	1	0.61	0.67	0.81	0.73	0.53	0	1	0.82	0.56	0.86	0.79	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.	Foam Bed	1	0	0.85	0.5	0.3	0.78	0.75	0	0.98	1	0.69	0.6	0.83	0.82	0	0.18	0.67	0.8	7.52	0.72	1	0	1	0.59	0.65	0.8	0.58	0.17
14.	Cos.Furn.	0.06	1	0	0.42	0.8	0.69	0.57	0.2	1	0.33	0	0.43	0.57	0.61	0	0.9	0.78	0.66	1	0.43	0.34	0	0.48	0.52	0.82	1	0.59	0.41

Source: Survey Data n = 300 (Upper Class = 79; Upper Middle = 76; Lower Middle = 61; Lower = 84)

- Note :
1. A - The product has become a very essential item for a family
 2. B - Most people in our social group consider it very essential
 3. C - Most people in our social group have it
 4. D - People buy it when they see others have bought it.
 5. E - Most people in our social group feel that it is bad into to have it.
 6. F - The male head of the household was more keen to purchase it than other family members.
 7. G - The female head of the household was more keen to purchase it than other family members.

Purchase Motives for Different

Different Consumer Durables Among Sample Households - Social Class-wise

(in percentages)

Sl. No.	Social Products	Upper Class						Lower Middle Class						Upper Middle Class						Lower Class									
		A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	G			
1.	Refriger.	10	14.7	16	14.1	15.1	18.3	11.8	10.9	17	14.9	0	14.9	14.1	12.1	-	-	-	-	-	-	-	-	-	-	-			
2.	Press.Ck.	16.9	15	14	11	11.9	16	15.2	18	15	13.5	12	14.3	16.1	11.1	15	13.1	14	12.1	17.1	14.6	14.1	-	-	-	-			
3.	Mixie	15.9	14	13.5	13.1	12.4	14.3	14.8	17.1	14	12	12.5	13.3	16	15.1	16.2	14.1	15	12.1	15.6	14.1	12.9	12	15.9	12.8	13.1	15.1	17	14.1
4.	TV Set	7.9	16.1	14.4	14.9	15.6	18	13.1	9.1	16.9	13.1	14.1	16.8	15.9	14.1	10.8	16.8	10.3	16.2	17	15.9	13.4	-	-	-	-	-	-	
5.	VCR/VCP	2.9	14	16.9	15.9	17.2	19.1	14	3.1	15.7	19.1	15	18.1	17.1	11.9	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.	Radio	13	15.1	16.1	12	14.1	15.9	13.8	16	14.7	14	15.8	13.1	12.2	14.2	12.9	14.2	13.7	12.1	16.9	15	15.2	14	5	14.9	15.1	16.1	17	17.9
7.	Tape Reco.	10	17.1	14.2	13	15.1	16	14.6	8.7	16.1	14	13.1	11.9	17.9	18.3	7.9	14.4	14.9	13	16.9	16.7	16.2	1.9	16.1	17	18	19.9	15.2	11.9
8.	Car	11.9	16.9	10	14.5	16.1	16.6	14	7.9	16.2	14.8	8.8	17.6	16.7	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Mot.Cycl/ Scooter	10	15.6	15.1	14.1	16.4	15.9	12.9	7.9	14.2	13	13.6	17.9	16.1	17	12.3	14.2	14.9	15.3	17.9	13.4	13.9	-	-	-	-	-	-	-
10.	Bicycle	11.8	12.7	15	13.9	13.1	15.9	17.6	16.8	13.9	11	12.9	12	16.1	17.3	12.9	18.3	15.3	10.0	13.5	12.2	17.1	17	14.1	16.1	11	13	14.9	13.9
11.	Wash.Mach	3.9	19	18	13.5	16	15.5	14.1	9.9	16.9	13	15.1	16.3	16	12.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.	Vac.Clean	5	20	14.1	15	17.1	15.9	12.9	3.3	20.8	17.6	13.1	18.4	17.1	9.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.	Foam Bed	15.9	11.9	15.3	13.9	13.1	15	14.9	5	17.9	18.2	14.1	12.9	16	15.9	10.9	12	14.9	16.1	14	15.2	16.9	6.2	21.1	15	15.9	18.1	14.9	8.8
14.	Cos.Furn.	12.7	16	12.5	14	15.3	14.9	14.5	13	17.1	13.7	12	14.2	14.9	15.1	9	17.1	16	14.9	18	12.9	12.1	4.9	13.1	13.9	19	22.1	15.1	11.9

Source: Survey Data n = 300 (Upper Class = 79; Upper Middle = 76; Lower Middle = 61; Lower = 84)

- Note :
1. A - The product has become a very essential item for a family
 2. B - Most people in our social group consider it very essential
 3. C - Most people in our social group have it
 4. D - People buy it when they see others have bought it.
 5. E - Most people in our social group feel that it is bad nto to have it.
 6. F - The male head of the household was more keen to purchase it than other family members.
 7. G - The female head of the household was more keen to purchase it than other family members.

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CHAPTER VI

INFORMATION SEARCH AND INFORMATION SOURCES

LITERATURE REVIEW

INFORMATION SEARCH

The term search refers to the mental as well as the physical information-seeking and processing activities which one engages in to facilitate decision-making regarding some goal-object in the market-place¹. Once a consumer has recognised the relevance of a problem and assuming that there are no constraints precluding further behaviour, the next stage in the decision-making process entails a search for and evaluation of information. The consumer is a solver of problems; to do this information is needed.²

Information acquisition involves the set of activities by which consumers are exposed to various environmental stimuli and begin to process them. To obtain information for making the decision or solving the problem, consumers discuss needs with their families and seek information from personal and impersonal sources.³ Knowledge of information seeking is fundamental in recognising buyer behaviour and planning marketing communications and distribution systems. Models of buyer behaviour have postulated a number of reasons for variation in buyer information seeking. The literature, however, reports only few attempts to measure the amount of consumer information seeking⁴.

Prepurchase information seeking has been a marketing topic since Copeland published his classification of Goods in 1923⁵. The extent of prepurchase information seeking for different kinds of goods have been advanced by Holton⁶ and Beklin.⁷ While prepurchase information seeking is limited in the case of convenience goods, the process is elaborate and the amount of information sought is more in the case of shopping and speciality goods.

Some postulates regarding subjective confidence were drawn from the work by Irwin, Smith and Mayfield.⁸ They tested a heuristic model of decision-making in which subjective confidence was one of the dependent variables. Confidence was found positively related to the quantity of information drawn and negatively related to difficulty of the problem. In this test, confidence was expected to increase over trials, and be greater under satisfactory than optimal choice, and be higher under brand continuity than discontinuity.⁹

Information seeking is a complex procedure and is difficult to quantify. Several studies have used variables such as the number of stores visited^{10,11,12,13,14} the number of store visits made prior to purchase¹⁵, time spent at a store, the number of brands examined,¹⁶ the number of price ranges considered, and the extent to which buyer sought information on product characteristics, cost and service¹⁷.

Types of Consumer Search Activities

Information may be defined as knowledge obtained about some act or circumstances. The term 'search' includes the activities undertaken by the consumers in order to find details of products, prices, stores and so on, related to the product. It may be active or passive, internal or external. Active search could involve a number of shopping trips, or time spent at the shopping centre to make product and price comparisons, while passive search may entail only reading a magazine advertisement with no specific goal in mind or thinking about the features of a desired product.¹⁸

Internal Search

Consumers often actively seek and selectively acquire information that has potential usefulness. The prime factor in this process appears to be internal search because of the relative ease with which it can be accomplished compared to external search. This is the first stage to occur after the consumer experiences problem recognition. Internal search refers to the mental process of recalling and reviewing information stored in memory.¹⁹

The literature on memory in psychology shows that types of processing at the time of acquisition affects information organization in memory and subsequent retrieval. Variation in learning goal (e.g., recall or recognition) affects processing at acquisition and subsequent recall or recognition.²⁰

Jacoby et al.,²¹ found that information search is positively related to optimising rather than satisficing. This is in conformity with the proposition that in many choice situations consumers face more risk than satisfiers. The risk of choosing the best brand is greater than that of choosing a satisfactory brand.²²

Studies by Katona and Mueller²³, and Newman and Belin,^{24, 25} found an inverse relationship between increased purchase experience and external search for durables. Similarly, Shimp's study²⁶ found a slight tendency for people to shop less when they knew all the features they wanted in non food items.²⁷

Search

External search refers to the process of obtaining information from personal and impersonal sources of information. The sources from which such information might be obtained are advertisements, friends, neighbours, colleagues, sales people, store displays and dealers. Whereas internal search is always passive, external search may be either passive or active.²⁸

Duncan and Oshavsky²⁹ found that the extent of external information gathering by consumers prior to purchase typically had been very limited; in some cases little or no external search occurs.

Involvement and Information Search

Herbert Krugman³⁰ put forward the concept of involvement to delineate differences in the intensity of interest with which consumers approach their dealings with the marketplaces. Consumer involvement based on the magnitude of difference falls into two broad categories-high and low. A highly involved consumer is anxious to differentiate among particular brands and is acquiescent to invest much energy in deliberations about it. Rather than just passively accept information, they tend to critically evaluate the pros and cons of received information. Attitudes are formed based on the beliefs that consumers develop from such critical valuations about products and brands.

Consumers under low-involvement conditions are passive receiver of information engage in little active information search. Under low involvement, the consumer may get exposed to products even when not attempting to do so, and his brand attitudes may not be a very strong influence on his purchase decisions.

High involvement generates rather intense efforts on the part of the consumer to actively search for product and brand information. Conversely, low involvement appears to result in a passive consumer who engages in virtually no active search for information. Obtaining product information is mainly through advertisements and other information which the consumer happens to

ist confront. Because of this little interest, less attention is devoted to these sources. Consequently, only modest amount of information may be acquired about a specific brand even after many exposures to it 31.

Under low-involvement situations attitudes towards a brand are sometimes formed after a purchase has been made - when the brand is being evaluated through actual use. Conversely, under high involvement situations consumers are seen as forming attitudes about brands and then making a purchase decision based on these attitudes. Therefore, in high involvement cases, attitudes are formed on the basis of product evaluations made prior to purchase.

Durables and Involvements

The level of involvement of consumers of consumer durables are often high. The relatively more investment in durables and the greater period of consumption of the benefits of these goods normally ensure a high level of involvement on the part of the decision maker. Even among consumer durables, the level of involvement is likely to increase in proportion to the unit value of the item and the time span of consumption.

With such high involvement on the part of the decision makers, it is only natural that consumers of durables seek more external information.

SOURCES OF INFORMATION

1. Commercial Sources

Several sources provide consumers with information and influence relating to products, services, retail stores, and other factors. The individual selectively accepts and distorts the information according to needs, values, and personality and according to how well information "fits" in ^{with} currently held beliefs and attitudes. The processed information, ^{initiates} change or conformation of consumer's beliefs about the product and the importance of each of the product attributes to the consumer and the consumer's current needs. Search process implies the use and relative effectiveness of information sources used by consumers in making purchase decisions.

Commercial source of information is purely marketer-dominated and includes such means of communication as the product, packaging, advertising, sales promotion, personal selling and displays. variations in consumer behaviour are of greater interest to advertisers. However, there are numerous other factors that influence whether or not a consumer purchases a product. Although positive attitudes towards a product and product purchase do not always show high correlation, most advertisers believes that in a competitive environment product purchase requires positive attitudes as well as a minimal level of need and availability of capital³².

Consumers generally have preconceived attitudes about companies, which can affect how they accept various advertising

messages. How a message presenter looks and sound can have a marked effect on product acceptance. In experimental studies involving print communications, the message sponsor, or originator is generally considered to be the source. In broadcast studies, the presenter is often considered to be the source³³.

As a general rule, once consumers recognise a problem, they become more receptive to advertising and use advertisements to learn about product attributes such as price and features and to compare various brands. Advertising represents a principal means for making products known to potential buyers, for keeping consumers informed and for persuading many customers to buy. Advertising is mass, paid communication, the ultimate purpose of which is to impart information, develop attitude and induce action beneficial to the advertiser³⁴.

Consumers perceive companies as sources of information and some are seen as highly credible but others are viewed with suspicion. Companies develop source credibility in a variety of ways: (1) producing dependable, need satisfying products; (ii) developing sound advertising and public relations programmes; (iii) providing reliable warranties and guarantees; (iv) using friendly and helpful sales representatives; (v) providing dependable delivery; and (vi) acting in socially responsible manner.

Because of salesperson's face-to-face contacts with current and prospective customers, they are viewed by consumers as

information sources. Salespeople who are viewed experts and highly trustworthy often are more persuasive than those not so highly regarded.³⁶ In addition, evidence suggests that consumers are more receptive to salespeople from highly credible companies and they can positively influence consumer's attitudes when they express opinion similar to the consumers viewpoint. Similarly, the salesperson is perceived by the customer as having some degree of expertise regarding the product.³⁷

1. Personal Source of Information and Flow of Communication

Personal influence has an important role in influencing consumer predispositions. Not only are members of the audience influenced by mass communications; they are stimulated at times by means of personal communications. Many of the studies on personal influence were stimulated by a pioneering study by Lazarsfeld, Berelson, and Gaudet³⁸ which put forward the hypothesis known as the 'two-step flow of communication'. This theory states that ideas flow from radio and print to opinion leaders and from them to less active sections of the population. A study among housewives,³⁹ concluded that personal influence had greater impact in marketing than advertising because respondents reported more exposure to personal advice than to advertisement: and second, among those exposed to each source, most important influence was more often attributed to people than to formal advertisements.

Communication process has an important role in personal influence. Marketers for several years, under the assumption that

marketing communication is a one-step process involving the flow of information from the marketer to the consumer, directed the appeal to each consumer expecting that the consumer will notice the advertisement, be informed, persuaded, or reminded by it and eventually buy the product. Communication researchers, however, turned to a more sophisticated explanation of the influence process realising the importance of personal channels of communication and influence, beyond the sphere of impersonal channels such as radio, television or magazines.

The two-step model is an advancement over the one-step scheme, as it incorporates the influence of interpersonal contact. The theory is based on the assumption that an absolute leader exists, that information flows from mass media to opinion leaders who disseminate it to followers and that it is always influence that is transmitted interpersonally. These assumptions are limited to the extent that all group members have some amount of opinion leadership, that followers are also in touch with mass media and that instead of influence sometime only information is transmitted interpersonally.

The multi-step model of communication provides a more sophisticated explanation of the interpersonal influence process. Studies have shown that consumers are not simply passive receivers of communication but often they are active seekers of information. Members of the audience act as transmitters as well as receivers of information. The multi-step model indicated that the marketing

message received by the opinion leaders are transmitted to others and this implies that there could be several links in the channel of communication. Obviously, the communication process and flow of information involve much more than what was assumed.⁴⁰

EMPIRICAL ANALYSIS

Important Information Sources for Consumer Durables

To assess the important information sources for consumer durables, the respondents were asked to indicate the sources of information they had actually used while purchasing durables. Then a rank order rating scale has been developed and the relative importance of each source of information was calculated.

The findings relating to important information sources for consumer durables are presented in Table 6.1. It indicates that friends are the most important information source for consumer durables. The next important information source with regard to consumer durables is media advertisements. Relatives as a source of information has the third position. The storekeeper as a source of information has the fourth position. The least significant source of information is the sales person.

On the whole, among personal sources, the significant sources are friends and relatives and among commercial sources, advertisements and storekeepers are the significant ones.

Table 6.1

Index of Important Information
Sources for Consumer Durables

S1 No.	Sources	Index	Rank
1.	Friends	.91	1
2.	Neighbours	.26	6
3	Relatives	.46	3
4	Colleagues	.262	5
5	Storekeeper	.35	4
6.	Salesperson	.19	7
7.	Advertisements	.60	2

Source: Survey Data n = 300

Sources of Information for Different Product Categories

Product category-wise analysis indicates that among the four categories considered, in the case of three, friends, advertisement and relatives are the three most important sources of information for consumers (Table 6.2). For kitchen appliances, entertainment items and vehicles, the most important sources are friends, the second most significant sources are advertisements and the third significant sources are relatives. Sales persons are the least significant source of information for products in these categories. The commercial sources appear to be more significant sources for furniture and cleaning devices. For this category of products advertisements and salespersons are the most important sources while friends as a source of information figure in the third position.

Important Information Sources for Different Consumer Durables

The importance of various sources of information may vary from product to product. Product-wise analysis of the important information sources made an attempt to study how far it is true in the case of various consumer durables under study. A comparison of the important sources of information for various products can be made based on information provided in Table 6.3. It indicates that out of the 14 products under study, in the case of 12 products, friends are the important source of information. Among the two remaining products, for Vacuum Cleaners the important source of

Table 6.2
 Important Information sources Among the Sample Households (weighted)_
 Product Category_wise
 (in percentages)

No.	Product Category/ Sources	Kitchen Appliances	Entertainment Items	Vehicles	Costly Furniture and Cleaning Devices
1.	Friends	23	25	29	17
2.	Neighbours	12	10	11	10
3.	Relatives	16	16	12	12
4.	Colleagues	12	14	10	10
5.	Storekeeper	14	10	10	15
6.	Salesperson	6	7	9	18
7.	Advertisements	17	18	19	18

Table 6.3

Index of Important Information
Sources - Production - wise

Sl. No.	Products	Friends	Neighbours	Relatives	Colleagues	Shopkeeper	Sales person	Advertisement
1.	Refrigerator	1	.17	.79	.33	.22	0	.56
2.	Pressure Cooker	1	.95	.46	.46	.92	0	.77
3.	Mixer	1	.28	.72	.53	.50	0	.78
4.	Television Set	1	.24	.53	.24	.24	.35	.35
5.	VCR/VDP	1	0	.76	.41	.19	.12	.92
6.	Radio	1	.36	.32	.64	.18		.45
7.	Tape Recorder	1	.13	.40	.13	.07		.73
8.	Car	1	.12	.36	.29	.04		.52
9.	Motorcycle/Scooter	1	.29	0	.29	.33	.61	.72
10.	Bicycle	1	.31	.35	.08	.27		.72
11.	Washing Machine	1	.37	0	.21	.53	.73	.95
12.	Vacuum Cleaner	.12	0	0	.29	.40	1	.80
13.	Foam Bed	.71	.07	1	0	.29	.14	.43
14.	Costly Furniture	1	.40	.80	0	.70	.10	0

Information is salesperson, and for Foam Bed relatives are the most important source of information. The salesperson has been the most important source of information for most of the products, the exceptions being vacuum cleaners, washing machines and two wheelers. The percentage - wise details of different products are given in Table 6.4.

Important Sources of Information for Consumer Durables

Social Class-wise

The degree of importance consumers attach to each source of information may vary across different social classes. The results of the empirical study (Table 6.5) shows that commercial sources of information are more important among upper and upper middle classes while among lower middle and lower classes personal sources are more significant. The key source of information has been advertisements for both upper and upper middle classes. Friends are the most significant sources of information among lower middle and lower classes.

Among the upper class consumers, the most important sources of information is advertisement; the second important source is the shopkeeper; friends and salesmen are the other significant sources with almost equal importance.

For the upper middle class consumers also, advertisement is the most important source of product information. Salesperson is the second most significant source of information. Colleagues and

Table 9.4

Important Information Sources - Product - Wise
(in weighted percentage)

Sl. No.	Sources Products	Sources							Total
		Friends	Neighbour	Relatives	Colleagues	Store-keeper	Sales-person	Adverti- sement	
1.	Refrigerator	27	9	20	12	10	6	16	100
2.	Pressure Cooler	19	17	12	12	18	6	16	100
3.	Mixer	23	10	18	11	14	5	19	100
4.	Television	25	12	17	12	12	8	14	100
5.	Video Cassette Recorder	27	6	19	13	9	8	22	100
6.	Radio	27	17	12	19	9	5	15	100
7.	Tape Recorder	24	11	15	11	10	9	20	100
8.	Car	31	9	15	17	7	6	19	100
9.	Motorcycle/ Scooter	24	11	6	11	12	17	19	100
10.	Cycle	21	17	14	7	12	5	18	100
11.	Washing Machine	27	11	4	8	14	18	22	100
12.	Vacuum Cleaner	8	5	5	12	15	30	25	100
13.	Foam Bed	19	10	23	9	13	11	15	100
14.	Settee and Costly Furniture	20	14	18	10	17	11	10	100

(Source : Survey Data)

Table 6.5

Weighted Index of Reported Sources of Information for Consumer Durables -
Social Class - Wise

Sl. No.	Social Class Sources	Upper Class		Upper Middle Class		Lower Middle Class		Lower Class	
		Index	Rank	Index	Rank	Index	Rank	Index	Rank
1.	Friends	.49	3	.53	4	.78	1	.93	1
2.	Neighbours	.34	7	.43	5	.32	5	.26	4
3.	Relatives	.36	6	.37	7	.39	3	.67	2
4.	Colleagues	.38	5	.59	3	.33	4	.12	7
5.	Storekeepers	.68	2	.40	6	.13	6	.25	5
6.	Salesmen	.48	4	.64	2	.44	2	.16	6
7.	Advertisement	.89	1	.76	1	.44	2	.38	3

friends are the other important sources.

In the case of the lower middle class consumers, friends are the most significant source of information. Next in importance are the two commercial sources: advertisement and salespersons.

Friends are the prime source of information among the lower classes as well. The second significant sources are relatives. Advertisement is only third in importance.

It is pertinent to note that the storekeeper is a significant source of information only among the upper classes. Similarly, salesman as a source of information is significant only for the middle classes, both upper middle and lower middle classes.

The individual products' index and percentage of the responses are given in Tables 6.6 and 6.7 respectively.

Preference for Personal and Commercial Sources of Information for Consumer Durables

Besides reporting the actual sources of information used by the respondents, they were further asked to indicate the most important sources of information for various products according to their perception.

Personal sources of information are the most important source of information in the purchase of consumer durables (Table 6.8). About 60 per cent of the respondents' indicated their

Table 6.6

Index of important information sources for various consumer durables - Social classwise

Sl. Social Class No. & Source	Upper Class						Upper Middle Class						Lower Middle Class						Lower Class					
	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F
1. Refrig.	0	0.33	0	0.33	1	0.33	1	0.33	0.33	0.33	0.67	0	0.33	1	---	---	---	---	---	---	---	---	---	
2. Press.Cook	0.10	0	1	0.1	0.1	0	0.3	0	0.33	0.33	0.67	0.33	1	1	0	0.67	0	0.33	0.67	0.33	---	---	---	
3. Mixie	0.20	0	0.2	0.8	0.6	0.4	1	0.6	0.4	0.4	0.6	0	0.2	1	0.33	0.67	1	0.33	0.33	0.33	0	1	0.39	
4. TV Set	0.50	0.5	0	0.5	0.83	0.5	1	0.8	0.6	0.8	0.8	0.6	0	1	1	0.57	0	0.67	0	0.33	0.33	---	---	
5. VCR/VDP	0.80	0.8	0.8	0	0.4	0	1	0.8	0	1	0.88	0.88	0.75	1	---	---	---	---	---	---	---	---	---	
6. Radio	0.33	0.33	0	0.33	1	0.33	0.67	0.5	0.5	0.5	1	0	1	1	0.67	0.67	0	0	0	0	1	1	0.4	
7. Tape-recd	0.5	0	0.5	0.75	1	0	1	0.92	0.15	0.84	0	0.54	1	1	0.57	0	0.33	0.67	0	0.33	1	1	0.32	
8. Car	1	1	0.5	0.5	0	0.5	1	1	1	0.57	1	0	1	0.67	---	---	---	---	---	---	---	---	---	
9. Mat.Cy/Scoot	1	0.5	0	0.5	1	0.5	1	0	0	0	1	0	1	0	0.67	0.33	0	1	0	0.67	0.33	---	---	
10. Bicycle	0.5	0.25	0	0.5	1	0.75	1	1	0.17	0	0.17	1	0.08	0.08	1	0.25	0.25	1	0	0.5	1	0.56	0.19	
11. Wash.Mach.	0.5	0	0.5	1	1	0.5	1	1	0.33	0	0.33	0.33	0.33	0.67	---	---	---	---	---	---	---	---	---	
12. Vac.Clean.	0.5	0.5	0.75	0	0.5	1	0.75	0.93	0.87	0	0.93	1	1	1	---	---	---	---	---	---	---	---	---	
13. Foam Bed	0.33	0.33	0.33	0	0.67	0.33	1	0.33	0.33	0	0.33	0.33	1	0.67	1	0	0.25	0	0.5	0.5	0	1	0.19	
14. Cost.Furn.	0.6	0.2	0.4	0	0.4	0.6	1	0	0.25	0.25	0.25	1	0.5	0.67	0.33	0.33	1	0	0.57	0	1	0.05	0.44	

Note: A - Friends; B - Neighbours; C - Relatives; D - Colleagues; E - Shopkeeper; F - Salesperson; G - Advertisement

Table 6.7
Important Information Sources Among Sample Households - Social Class - Wise

(in percentage)

Social Class No. & Source	Upper Class						Upper Middle Class						Lower Middle Class						Lower Class					
	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F
1. Refrig.	13	14	13	14	16	14	14	14	14	14	15	13	14	16	13	13	13	14	14	15	14	14	15	14
2. Press./Cook	13	12	12	13	12	15	13	14	14	14	14	15	14	16	13	15	13	14	14	15	14	14	15	14
3. Mire	13	12	13	16	15	14	17	15	14	14	15	12	13	17	14	15	16	14	14	14	14	14	13	
4. TV Set	14	14	11	14	16	14	17	15	14	15	15	14	11	16	16	15	13	15	13	14	14	14	14	
5. VCR/VCP	15	15	15	11	13	16	16	16	16	15	15	15	14	16	15	15	14	16	14	14	14	14	14	
6. Radio	14	14	13	14	16	14	15	14	14	14	15	13	15	15	15	15	13	13	13	16	26	13	19	
7. Tape-rec	14	13	14	15	16	12	12	12	17	14	16	5	12	18	18	13	14	15	13	14	16	32	13	
8. Car	15	15	14	14	13	14	15	15	15	15	14	15	14	15	14	14	14	14	14	14	14	14	14	
9. Mot. Bv/Scout	15	14	13	14	15	14	15	14	14	14	15	14	15	14	15	14	13	16	13	15	14	14	14	
10. Bicycle	14	13	12	14	16	15	15	22	12	10	12	22	11	11	16	13	13	16	12	14	16	16	16	
11. Wash. Mach.	14	13	14	15	15	14	15	16	14	13	14	14	14	14	14	14	14	14	14	14	14	14	14	
12. Vac. Clean.	14	14	15	12	14	16	15	16	15	2	15	17	17	17	17	17	17	17	17	17	17	17	17	
13. Foam Bed	14	14	14	13	15	14	18	14	14	13	14	14	14	16	15	17	13	14	13	14	13	15	13	
14. Desk, Furn.	15	13	14	12	14	15	17	13	13	14	14	14	14	17	15	15	14	14	16	16	16	16	16	

(Source: Survey Data)

Note: A - Friends; B - Neighbours; C - Relatives; D - Colleagues; E - Shopkeeper; F - Salesperson; S - Advice

Table 6.8

reference for Personal and Commercial Sources of Information
 consumer Durables Among Sample Households

Sl. No.	Sources	Percentage
1.	Personal	59.50
2.	Commercial	40.50
3.	Total	100.00

Source: Survey Data n = 300

preference for personal sources of information. The rest of the respondents gave importance to commercial sources of information in the purchase of consumer durables.

Product category-wise analysis reveals that in three of the four product categories, personal sources are preferred by the respondents (Table 6.9). In the case of kitchen appliances, 63.33 per cent of the respondents reported their preference for personal sources of information. With regard to the purchase of entertainment items, 64.75 per cent reported that they preferred personal sources. For buying decisions relating to vehicles, 61.67 per cent of the respondents indicated preference for personal sources. For costly furniture and cleaning devices, both commercial and personal sources are equally significant.

reference for Personal and Commercial Sources of
information - Social Class-wise

The social class-wise analysis shows that personal sources of information are the most preferred sources for all categories of consumers (Table 6.11). The degree of preference for personal sources, however, varies with the social classes. While preference for personal sources are more among the lower classes, it is relatively less among the upper classes. Table 6.10 presents the percentage - wise figures of the preference for personal and commercial sources of information for different products under study.

Table 6.9

Preference for Personal and Commercial Source of
 Information for Various Product Categories Among Sample Households)
 (in percentage)

Sl.No	Sources Product Category	Personal	Commercial
1.	Kitchen Appliances	63.33	36.67
2.	Entertainment Items	64.75	35.25
3.	Vehicles	61.67	38.33
4.	Costly Furniture and Cleaning Devices	49.75	50.25

Source: Survey Data n = 300

Table 5.10

Preference for Personal and Commercial Source of Information for Different Products
(Weighted: - Social Class - Wise)

Sl. No.	Social Class & Sources	Upper Class		Upper Middle Class		Lower Middle Class		Lower Class	
		Personal	Commercial	Personal	Commercial	Personal	Commercial	Personal	Commercial
1.	Refrigerator	54	46	57	43	--	--	--	--
2.	Pressure Cooker	60	40	55	45	57	43	--	--
3.	Mixer	54	46	58	42	59	41	74	26
4.	Television Set	53	47	59	41	59	41	--	--
5.	VCR/VCP	56	44	55	45	--	--	--	--
6.	Radio	55	45	57	43	59	42	62	38
7.	Tapesrecorder	56	44	52	48	57	43	67	33
8.	Car	58	42	59	41	--	--	--	--
9.	Motorcycle/ Scooter	56	44	57	43	59	41	--	--
10.	Bicycle	53	47	56	44	58	42	56	44
11.	Washing Machine	56	44	57	43	--	--	--	--
12.	Vacuum Cleaner	55	45	49	51	--	--	--	--
13.	Foam Bed	55	45	55	45	57	43	65	35
14.	Costly Furniture	54	46	54	46	59	41	73	27

Source: Survey Data n = 300 (U=79; UM=76; LM=61; L=84)

Table 6.11

Preference for Personal and Commercial Sources of Information
(Weighted) - Social class - wise

No	Sources/Social class	Personal	Commercial
	Upper Class	55.36	44.64
	Upper Middle Class	55.71	44.29
	Lower Middle Class	58.00	42.00
	Lower Class	66.17	33.83

Source: Survey Data n = 300 (U=79; UM=76; LM=61; L=84)

The respondents were asked to indicate the media exposure members of the selected households. The responses were based on the exposure of the key respondents towards the media in question. The data reveal that media exposure among the respondent families is quite high (Table 6.12).

Media exposure of the families is 98 per cent with regard to radio and 96 per cent with regard to newspapers. While 95 per cent of the families are exposed to TV, magazine exposure is limited to 91 per cent of the households.

Exposure to Media Advertisements

Respondents were asked whether they read, watch or listen to media advertisements. The responses indicate that 83 per cent of the respondents do see or listen or watch media advertisements. They were, however, asked to indicate the extent of exposure to media advertisements. The tabulated results indicates that exposure to media advertisements is very high among the respondents with respect to all the media considered, i.e., Television, Radio, Magazine and Newspaper. However, with regard to the frequency of exposure to advertisements in different media, wide variations exist (Table 6.13). Television advertisements have the maximum exposure and radio advertisements the least.

Table 6.12
Media Exposure - General

(in percentage)

SI MEDIA No Media Exposure	Television	Radio	Magazine	Newspaper
1 Exposed to the Media	95	98	91	96
2 Not exposed to the Media	5	2	9	4
3 Total	100	100	100	100

Source : survey Date n = 300

Table 6.13
 Exposure of Respondents to Advertisements in
 Different Media-General
 (in percentage)

Extent Media	Often	sometimes	once in a while
1 Television	61	33	6
2 Newspaper	45	44	11
3 Magazine	38	40	22
4 Radio	24	51	25
Number of respondents : 248			

The social class-wise break-up shows that the exposure to magazine advertisements is more among the upper class (Table 6.14). The respondents belonging to the other social classes are exposed more to Television advertisements. Most frequent exposure to TV advertisement is among the upper middle class. It is among the lower middle class that newspaper advertisements have more frequent exposure. Similarly, frequent exposure to radio advertisement is more among the lower middle classes. The frequency of advertisement exposure is least among the lower classes, irrespective of the media.

Table 6.14
Exposure of Respondents to Advertisements in Different Media-social class-wise

(In percentage)

	Upper Class			Upper Middle Class			Lower Middle Class			Lower Class		
	Often	Sometimes	Once in a While	Often	Sometimes	Once in a While	Often	Sometimes	Once in a While	Often	Sometimes	Once in a While
ion	67	30	3	76	23	1	56	34	10	46	40	14
er	46	49	5	35	44	21	52	30	18	25	35	40
ne	77	16	7	53	32	15	40	34	26	29	59	12
	21	49	30	22	42	36	39	53	8	21	60	19

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CHAPTER VII

DECISION MAKING AND BUYING

LITERATURE REVIEW

A review of the models of buyer behaviour invariably leads to the conclusion that the prime focus of consumer behaviour studies has been on the process of buying decisions. Naturally, the literature on consumer behaviour has placed special emphasis on the various stages or steps involved in the buying decision process. The significant stages in the process of purchase decision exhaustively discussed in marketing literature include identification of consumer needs or problems, search for information, information processing, choice criteria, purchase decision, buying and post purchase reactions. The present chapter attempts to analyse the alternative evaluation and purchase decision.

EVALUATION OF ALTERNATIVES AND CHOICE CRITERIA

Consumer choice research has focussed almost exclusively on choice or evaluation of a particular brand from a group of highly similar alternatives from within a product category. In some situations, a consumer may choose between highly dissimilar or noncommensurable alternatives from varied product categories.¹

The consumer often has to make choice from a set of available alternative products or brands in the market. In the

process of evaluation and selection, the consumer may adopt a set of criteria such as economy, quality, durability, colour, shape and size, and the product that fits in with the set of choice criteria purchased.²

Rosenborough³ has used a sociological approach to the process of consumer choice. He argues that, firstly, the individual who accepts the standard of living of his own society consciously or unconsciously decides whether to accept the consumption standards of the majority of the people as a basis for judging quality and performance of its goods and services, i.e., their value system. Secondly, the individual must choose the plane of living or life style and a level of living within that plane. Then, he reaches the choice of a particular good or service.

Gartner, Kohmer, and Jones,⁴ three economists, identified four interrelated phases in the process of making consumer choices. The choice process begins with the search for total available alternatives. From the ken of total alternatives available in the market, the consumer builds up knowledge of the alternatives possible for the consumer. Some of the search is incidental to everyday living, but other types of search require careful attention. At the second phase, alternatives are suitable to meet the consumer's wants are determined. Here the consumer must consider his limited resources of time, physical goods, income and energy. He then checks with his preference or value system, often quite unconsciously, and decides on a combination of his preferences and his resources. In the third phase the consumer makes a careful

raisal of relevant alternatives. The economic, social and psychological aspects of the product and of his needs particularly his budget constraint are considered. Finally, the consumer makes his actual choice or choices.

The process of consumer choice as described by Bayton⁵ starts with need-push, followed by development of awareness of alternative products which can gratify the need. Consumers attach, depending on past experiences, different expectations to these products. Such experiences will result in formation of sets of cues to differentiate between products and between brands or types of a given product. Consumers also develop learned preferences based on their experiences with products and on the basis of reactions of other people towards the products. It will result in ranking or ordering among different products.

The information acquisition task, one of the important stages in the purchase decision process, make a choice among a limited number of alternatives. Conceptually, it consists of two reciprocal segments - information acquisition and choice. Information is acquired by the consumer in a goal-directed, sequential manner and is presumably encoded and added to the memory store derived from prior knowledge. In the choice segment, the memory stock is processed according to some decision rule or rules. The consumer can streamline information acquisition and minimize the load on memory. Intricate choice rules that involve culmination of alternatives via attribute processing meet this criterion, while simple rules that involve making and storing global judgments of a

of alternatives via brand processing do not.⁶

Consumer decisions are made in several ways, ranging from complicated, conscious, decision making processes to quick judgement. However, consumers usually make choices that fall between two extremes. Two sets of factors usually are at work: (i) needs, goals or motives by which alternatives are evaluated and attitudes about the alternatives that relate them to the needs. Given the salient values, the choice will depend on two independent factors: (i) the importance of these values; and (ii) extent to which the alternatives favour the values.⁷

The difficulty of decision making among choices varies from "moderate difficulty to extreme difficulty" as consumers make repetitive choices with little consideration, and study other decisions with great care. The choice may be among different kinds of products or services, or it may be among brands of the same product.⁸

It has been postulated that information seeking would be higher under optimal as compared with satisfactory choice. This hypothesis was originally taken from March and Simon. They argue that optimal choice would entail such a large information seeking and processing burden that individuals and decision-making units in organisations seek satisfactory alternatives. The decision objective as a determinant of information seeking is also related to Berlyne's theory since uncertainty and thus information seeking would be lower under satisfactory than under optimal choice.

In developing a general framework of psychological models of choice, Hausen has argued that interactions between predisposi-

tions inherent in the individual and situational influences on the individual are of critical importance. Several types of such interactions may be identified:

The exposure situation, where predispositions together with environmental stimulation form new dispositions such as knowledge, beliefs and so on.

Prior commitment, where a particular situation or behaviour is elicited as a consequence of a predisposition.

Impulse purchases, where the situation elicits a behaviour.

Joint effects of predispositions and the environment.

A deliberation situation, where the environment and situational factors act only as background.⁹

The purchase of consumer durables frequently result from a conscious evaluation of alternatives, followed by a genuine decision.¹⁰ As Malhotra and Summers point out, the lesser the difference in the relative attractiveness in the choice set, the more arduous it would be for the decision maker to choose the best alternative. In other words, if all or most of the alternatives in the choice set do not offer enough variety and quality, it is likely to be more arduous for the decision maker to choose the best one. Therefore, the risk perceived in choosing the best alternative would be greater. Many consumers, however, do have proficiency in choice and do choose the best alternative.¹¹

Expected Utility Model

Over the past three decades, the expected utility model has

been a predominant factor in guiding research in risky choice behaviour. The term utility was originally developed to delineate the overall pain and pleasure, or the net satisfaction, obtained from a particular commodity or choice alternative. Expected utility theory is the risky choice extension of classical utility theory. Essentially consumers are believed to calculate the expected utility of the outcomes associated with each decision alternative and then select the alternative that maximises the expected utility. A major drawback of the expected utility model is its incapability to account for context effects - the verbal labels, modes of information presentation, response modes, social dimensions, and other circumstances - associated with the nature of the decision problem.¹²

Buyers when making a purchase decision, must judge the relative values of various alternatives. It follows that such factors as context effects that influence these value judgments are of immense interest to researchers who study the buying decision process. One context effect may be the standard of comparison, i.e., the point of reference against which the various decision alternatives are compared. Reference point is the key element in determining the positive or negative outcome of the judgment.

Prospect Theory

Prospect theory is a psychology based descriptive theory of individual choices under risk that does account for context effects. Prospect theory has its base in expected utility theory, but has an important difference - the alternatives are evaluated as

gains or losses relative to a reference point rather than as wealth states. Prospect theory specifies that a decision maker first reduces each alternative in a decision problem to a series of prospects and then evaluates each prospect according to a value function. According to prospect theory the choice process has two distinct stages: an editing stage and an evaluation stage. The editing stage represents the initial analysis of the problem wherein the consumer restructures, or frames, the decision problem to a more simplified form (i.e., into a series of prospects). The evaluation stage then represents the process whereby the consumer assigns a value to each of the edited prospects and chooses the one with the highest value.¹³

Consumer making complex purchase decisions seldom evaluate all alternatives completely. One of the methods of simplifying a decision is to create a cut - off on one or more attributes. A cut off exists when there is a predetermined acceptable level for an attribute. The decision maker then eliminates any alternative that fails to surpass the minimum noncompensatory choice strategies: elimination by aspects and the conjunctive strategy.¹⁴ However, research has shown that cutoffs are applied less systematically than those two models propose. For instance, the use of cut - offs in the initial stage of a choice process may be followed in later stages by the use of some other heuristic or compensatory process. Payne¹⁵ has suggested that different strategies may be treated like subroutines during the choice process, to be called upon whenever they seem appropriate for the next stage of the decision.

Cutoffs are important components of consumer decision making strategies.^{16,17,18} The reference point is one factor that determines the decision frame - the perspective through which a decision maker views the alternatives in a decision problem. In prospect theory, Kahneman and Tversky¹⁹ have shown decision frames to be reliable predictors of choice situations involving risks. However, very little is known about how reference points (and therefore decision frames) are established in individual decision situations.

Evaluation of Comparable and Noncomparable Alternatives

Knowledge of decision criteria can vary greatly even for comparable alternatives. Overtime, some consumers may develop a great deal of expertise within a product category. One aspect of expertise is likely to be knowledge of criteria useful for judging the alternatives in that category.²⁰ Thus, for expert consumers, decision criteria are likely to be readily available from memory. However, consumers who are less cognizant about a product category may need to construct a decision criterion at the time of decision even for comparable alternative.

One important point to note is that because the set of noncomparable alternative is often unique and newly formed, even if consumers are familiar with the individual alternatives comprising the noncomparable set, they are likely to be unfamiliar with the particular combination of alternatives. Thus, because of unfamiliarity all consumers, regardless of their levels of

expertise with the individual options, are unlikely to have well-formed criteria for initial choices among noncomparable alternatives.²¹

When choice processes are constructive, making different decision criteria salient is likely to influence how the problem is framed. Thus, for novice consumers, decision criterion salience is likely to influence judgements for both comparable alternatives and noncomparable comparison sets. Although the expert/novice literature suggests that abstraction increases²² with expertise recent empirical evidence supports the opinion that novices may also use abstract decision criteria.

Johnson suggested two strategies or processes that consumers use to solve the noncomparability problems. The first is an "abstraction" strategy in which consumers might use to solve the noncomparability problem. Consumers abstract a higher order attribute on which the comparable alternatives can be directly compared. The abstraction strategy suggests that consumers make comparisons on more abstract attributes. Thus, for example, restaurants and ball games become more "comparable" when the consumer forms an abstract attribute such as enjoyment and the attributes of both of these alternatives can be related to this, criterion, although in different ways. Based on this, Johnson^{23,24} predicted that consumers will increase the use of abstract criteria to evaluate noncomparable alternatives. The second strategy that Johnson^{25,26} suggested the consumers can use to solve the

noncomparability problem in an across-attribute strategy. In this strategy, each alternative is evaluated separately by combining across its concrete attributes, and then the overall evaluations are directly compared. Abstractness is typically defined as the inverse of how directly an attribute denotes particular objects or events. Conversely, concrete attributes are those that are inherent in the stimulus object.

Time Dimension

The time required to make a decision is an important process - tracing measure. A number of investigators^{27,28} have described the consumer's decision task as consisting of two general stages: choice reduction and choice selection. In choice reduction, the number of available alternatives are reduced to a smaller set of options considered acceptable. In the choice selection stage, the alternative considered best among those in the acceptable set is chosen.²⁹

Types of Decision-process Role structures

The concept of a decision making unit was first introduced in 1967 by Robinson, Farris and Wind. In consumer settings the roles of influencing, deciding, purchasing and using may be assumed by different family members.³⁰ There are several ways of viewing family member roles as they relate to the purchase decision and consumption process. There are six roles that may be performed by various family members.

First, one or another family member may be the initiator.

In this role, the suggestion may be made by the wife. A second role is that of influencer, which is the person who informs or persuades others in a purchase situation. A third and related role is that of information gatherer in which one or more individuals will secure information related to the purchase. Often, the individual most knowledgeable in the product category will gather information.

The role of decision maker involves having authority to make the buying decision. The individual who makes this decision might be the same as the influencer or information gatherer. The purchaser role involves the act of purchase by one of the family members. The decider and purchaser need not necessarily be the same individual. At other times, however, the purchaser may occupy a very strategic role in the brand decision.

Sometimes, the purchaser may be referred to as the gatekeeper, that is, a family member who is able to control the flow of products into the family, the purchase may be consummated or blocked by this individual. In most food items women have the role of gate keeper. In the home it is the housewife who chooses most products and most brands. Her decision may or may not be influenced by the likes and tastes of other family members. Users are those who consume the product or services. A user may be the same person who performs each of the other roles or it may be another person. For the marketer it is important to distinguish each family member's role in order to develop an optimum marketing strategy.

The process by which goods and services are acquired typically involves joint decision making.³¹ Some matters of consumer choice and behaviour are not decided by individuals but by groups.³² Researchers have long held that it is the household that is the relevant unit of analysis and not the individual consumer.³³ Families may, for example, choose a car or house together. This is referred to as joint decision-making. A significant portion of consumer information processing is done not by individuals acting alone but by two or more persons in interaction.³⁴

The importance of the joint decision making process is reflected in the considerable enquiry devoted to this issue. Two approaches are prominent in the literature. One entails the use of key informants. The assumption is that the responses of the individual can adequately represent those of a group. In organisational buying behaviour, reliance on a key informant to obtain data on organisational characteristics is common place.³⁵ The second approach involves an assessment of the relative influence of relevant parties to a particular decision.^{36,37}

But neither approach addresses a critical problem in joint decision making research - namely, how to represent accurately the views of relevant parties to a decision. In decisions that are important, complex and not routine, it may be that individuals are not informed about each others views. They may be unable to

represent the group adequately unless they make an active attempt to learn the viewpoints of others.³⁸

All family buying decisions can be classified as autonomous or joint. Many purchasing are made autonomously by the wife. There are also instances where the housewife acts merely as a purchasing agent who carries out family members desires and sometimes their independent decisions.

The key informant approach holds that the choice made by multiple parties in a decision depends upon their joint preferences regarding the various choice alternatives. Moreover, it contends that the preferences of key informants can accurately represent joint preferences under certain conditions, assuming that key informants are knowledgeable about the preferences of relevant others. When this fact is not made salient, key informants are likely to rely on their own preferences as a basis for choice, if only because such information is likely to be highly accessible in memory.³⁹

The belief that the preferences stated by key informants reflect the preferences of relevant others when such preferences are made salient has been examined in two studies reported by Wind.⁴⁰ The findings suggest that subjects were sensitive to their spouses' preferences. Wind's findings indicate that key informants consider the views of relevant others when the appropriateness of so doing is made salient. But Winds data do not allow an assessment of whether key informants' preferences accurately

represent joint preferences or predict choice outcomes.

Power Structures

Research on power relationships in the family has taken several directions. One approach to understanding the marital power structure in consumer decision making categorises the possibilities for dominances in the following way: (i) autonomic; (ii) husband dominant; (iii) wife dominant; and (iv) syncratic. With few exceptions, marketers usually use simpler categories, for example, husband more than wife, wife more than husband, both husband and wife or simply husband only, wife only, or children only.^{41,42}

While categorising people in accordance with their influence, an adequate procedure has not yet been developed to deal with disparity in views among the parties. Such disparities may make it difficult to categorise people as autocratic, dominant or syncratic. Even if there is agreement on category, it is unclear how different views are aggregated to predict outcome when the decision making is syncratic.⁴³

Type of products

The degree of joint decision making varies considerably from product to product. The extent of joint decision making tends to increase with increase in the unit value of the product.

As the importance of a specific buying decision to the family increases, the more likely it is to be jointly made by members of the family. Decisions to buy most of the durable items

are arrived at jointly by all members of the family, including children.⁴⁴

In the purchase of the lower priced products, there is generally a tendency for purchase decisions to be delegated to the husband and wife according to their respective skills and knowledge.

These skills and knowledge may be actual or they may be perceived. A husband is "supposed" to know more about mechanical things and generally plays a more important role in the purchase of product having complex, mechanical attributes. On the other hand, based on cultural and reference group norms, as well as many other factors, a man is not supposed to know much about cooking. Thus, he is likely to be less influential in the purchase of related products.⁴⁵

The relative contributions hypothesis explains role structure in terms of the relative resources (income, decision making ability) contributed by individuals comprising the nuclear family. The greater the relative contribution of an individual, the greater the influence in decision making. For example, husband having high income, high occupational prestige and high social status generally have more decision making authority than husbands whose wives work.

Role-Structure categories

The relevant role-structure categories depend on the specific product or service under consideration. In many product

categories only the husband and wife are involved. Children are involved in many types of purchase situations.

Family Decision-making Strategies Resolve Conflict

Different strategies are adopted for resolving conflicts⁴⁶ family members regarding products and brand decisions. Consensus is said to exist if family members agree on goals or the desired outcome of a decision. On the contrary, accommodation becomes essential if disagreement over goals or outcome exists. Several strategies are adopted for conflict resolution based on consensus and accommodation. Davis has outlined five different strategies for conflict resolution:

Role structure strategy: One person in the family acquires expertise and becomes a specialist and assumes or is delegated the primary responsibility for decision making in a particular product or service decision area. The expertise of the member comes to be accepted by other family members and the need for family discussion is thus eliminated.

The budget strategy: Here the buying decision responsibility is governed by a set of rules established by the family such as the budget. Once the budget is accepted the discretion is limited to the models available within the budget and is exercised by the controller.

The problem solving strategy: Just as the earlier strategies, this strategy also assumes agreement among family members regarding desirable goals. One method under problem solving strategy is to rely on an expert from within the family or outside to determine

he best alternative. Another method involves family discussion involving a better solution than what any particular member suggested. The third method is multiple purchase as a way to satisfy different family members.

Persuasion strategy: The strategy involves forcing someone to make a decision that the person would not otherwise make. Under the strategy several techniques are used. Family members study the moods of others and identify the moods when they are susceptible to new ideas or persuasion and identify appeals which are most effective with which family member. Another method of eliminating conflict involves taking another family member along while shopping for a product. This method of "shopping together" is meant to secure a decision commitment that may be difficult to reverse later. A third method of eliminating conflict is to delegate decision making to an "irresponsible critic" in the family. In order to avoid wanton criticism from the irresponsible critic, others delegate the decision to the critic. Coercion is an extreme form of persuasion used to secure unwilling agreement through threats. The fifth method is "coalition" which involve forming cliques within the family in order to form complaints from other members. Coercion and coalition are, however, the least desirable methods of conflict resolution.

Bargaining: Unlike persuasion which involves a relatively short term effort to win a specific decision, bargaining attempts to ensure willing agreement with long term impact. Family members get

involved in mutual give and take. One method is to promise "next purchase" to other members. A second approach involves an impulse purchase and then bargaining in order to convince others that the buyer has done it in the best interest of the family. The next technique is procrastination. Purchases are delayed with a view to obtain new information or expecting the development of new situations so that a new choice can be made.

BUYER FOR CONSUMER DURABLES

As decision process moves through information search, alternative evaluation and decision-making, we finally reach the point at which the actual purchase is made. The consumer may or may not have visited retail outlets as he passes through the previous stages in the decision-making process. However, in most situations, consumers must visit retail stores sometime during the decision process period. This consumer-store environment interaction, called purchasing process, is of vital importance in understanding consumer behaviour.

The transaction is a basic unit of analysis in any marketing activity. The transactions comprise several related processes such as bargaining, impulse purchasing, etc. The amount or intensity of bargaining behaviour and price negotiation will vary across product types. Most purchases of goods and services are routine and involve little, if any, explicit bargaining behaviour by either salesman or consumer. However, transactions involving durable goods or other items in which price is a variable

actor were presumed to involve bargaining and price negotiation strategies for both parties. Besides price, product features, styling, delivery and other similar variables are also important in the formal and informal negotiation process in such transactions⁴⁷

Impulse buying is widely characterised as unplanned purchase behaviour. Impulse buying research has not yet offered a theoretical framework or behavioural model that explains impulse buying by linking it to other types of impulsive behaviour⁴⁸.

Consumers make two types of purchases :(i) trial purchase; and (ii) repeat purchases. If a consumer purchases a product (or brand) for the first time, and buys a smaller quantity than usual, such a purchase would be considered a trial. Thus, the consumers evaluation of the product through direct use is referred to as trial purchase. Research evidence indicates that when consumers purchase a new brand about which they may be uncertain, they tend to purchase smaller quantities than they would if it were a familiar brand. If the product or brand is found to be more satisfactory, consumers are likely to repeat the purchase. This behaviour is closely related to the concept of brand loyalty.

In the purchase phase of the consumer decision process, the marketer is more interested in family role structures. More specifically, the marketer want to know about which family member takes the role of buyer.

EMPIRICAL ANALYSIS:

Product Decision-Maker for Consumer Durables

After calculating the index of product decision-making by different family members for each of the consumer durables under study, the average index for different family members in terms of product decision-making for consumer durables in general has been worked out. The ranking relates to product decisions and not brand decisions. It is found that the husband is the key product decision-maker for consumer durables in general (Table 7.1). The next major decision-maker is the wife. Joint decision-making by husband and wife has the third rank. The index shows that joint decision by husband, wife and children takes the fourth position. The chances of children taking the buying decision has only the fifth rank.

Individual Vs. Joint Decisions

Data relating to individual versus joint product decisions reveal that when all consumer durables are considered, individual decisions are more frequent than joint decisions (Table 7.2). In 55 percent of the product decision situations, decisions are taken by individual family members. Individual decisions by husband occur in 27.7% of the situations; by wife 17.5% and by children 10%. Joint decisions are made by different family members in 45 per cent of the decision making situations. The data do not support the hypothesis that product decisions for consumer durables

Table 7.1

Index of Product Decision-Maker for
Consumer Durables

l. o.	Decision-Maker	Index	Rank
.	Husband	.76	1
.	Wife	.42	2
.	Children	.21	5
.	Husband & Wife	.40	3
.	Husband & Children	.14	7
.	Wife & Children	.18	6
.	Husband, Wife & Children	.31	4

Table 7.2
 Individual Vs. Joint Product Decision
 Among Sample Households for all Durables

Sl No.	Decision Maker	Percentage
1	Individual Desisions	
	a) Husband	27.7
	b) Wife	17.5
	c) Children	10.0
	Sub Total	55.2
2	Joint Decisions	
		16.5
	a) husband and wife	7.7
	b) Husband aand Children	7.3
	c) Wife and Children	
	d) Husband, wife and Children	13.3
	Sub Total	44.8
	TOTAL	100.0

Source : Survey Data

Table 7.3
Product Decision Maker for
Various Categories of Products Among
Sample Householders

Sl No.	Decision Maker	Kitchen Appliances	Entertainment Items	Vehicles	Furnityre & Cleeaning Equipments
1	Husband	10	37	37	24
2	Wife	43	7	1	21
3	Children	3	15	19	3
4	Husband and wife	26	8	7	25
5	Husband aand Children	2	7	16	6
6	Wife and Children	5	9	4	12
7	Husband, wife and Children	11	17	16	9
TOTAL		100	100	100	100

Source : Survey Data

re joint decisions by family members. The study, however, reveals that there is high incidence of joint decisions with regard to the purchase of durable consumer goods. Situations of joint decisions by husband and wife is more frequent (16.5%) followed by situations involving husband, wife and children (13.3%).

Product Decision-Maker for various Categories of Products

Analysis of the product decision-maker for various product categories indicates that there is wide variation in the decision to buy durable products in respondent families (Table 7.4). The key product decision-maker for kitchen appliances (Refrigerator, pressure Cooker and Mixie) has been identified as the wife. The wife takes product decisions in 43% of the families. Husbands and children have limited role in the product decision making for kitchen Appliances. Husband is the key product decision-maker with respect to Entertainment Items (T.V. set, V.C.R./V.C.P., Radio and Tape Recorder). In the case of vehicles also the husband is the chief product decision-maker(37%). With regard to furniture and cleaning systems, joint decisions are more significant. Joint decisions are reported by 52 percent of the families.

Product Decision-Maker for Different Products

The empirical study made an attempt to analyse the product decision-maker for various consumer durables under study. The results show that wife is the key product decision maker with respect to four products, i.e., Refrigerators, Pressure Cookers, Mixie and Washing Machines (Table 7.4A). The husband is the key

Table 7.4

Product Decision Maker for various Categories of products

Product Category	Kitchen Appliances	Entertainment Items	Vehicles	Costly Furniture & Cleaning Devices
Decision Maker				
band	11	37	37	22
e	43	7	1	22
ldren	3	15	19	4
band & e	26	8	7	25
band & ldren	2	8	16	6
e & ldren	5	9	3	12
band, wife hildren	10	16	17	9

Table 7.4A

Index of Product Decision-Maker for Different Products

Sl. No.	Decision-Maker Products	Husband	Wife	Children	Husband & Wife	Husband & Children	Wife & Children	Husband, Wife & Children
1.	Refrigerator	.90	1	.10	.70	0	.07	.48
2.	Pressure Cooker	0	1	0	.48	0	.08	.10
3.	Mixie	.02	1	0	.51	0	.09	.21
4.	T.V. Set	1	.05	.05	.05	0	.25	.80
5.	VCR/VCP	1	0	.45	.30	.12	.12	.39
6.	Radio	1	0	.13	0	.02	.02	.21
7.	Taperecorder	1	.14	.54	0	.14	.21	.25
8.	Car	1	0	.50	.08	.08	.08	.64
9.	Motorcylce/Scooter	1	0	.77	.40	.63	0	.53
10.	Bicycle	1	0	.36	.12	.60	.12	.19
11.	Washing Machine	.47	1	0	.88	0	.47	.12
12.	Vacuum Cleaner	.71	.71	0	.29	.29	1	0
13.	Foam Bed	.56	.84	0	1	.08	0	.12
14.	Costly Furniture	1	.13	0	.62	.05	.05	.36

Source : Survey Data n = 300

decision-maker in the purchase of eight products TV, VCR, Radio, Tape Recorder, Car, Motorcycle/Scooter, Bicycle and costly furniture. Joint decision making is more significant in the case of the remaining two products. In most situations, buying decision for vacuum cleaner is a joint decision by the female head of household and children. For foam bed, the decision is often a joint decision by husband and wife.

Further analysis shows that in respect of product where the wife is the leading decision maker, situations of joint decisions by husband and wife is the next frequent situation. While in 54 percent of the families wife is the product decision maker, in 27 percent of the ^{households} joint decisions have been reported (Table - 7.5). Although decisions for mixies are taken in 46 percent of the households by the wife, in 25 percent of households husband and wife take joint decisions for the product. In the case of refrigerators, while the wife takes decision in 29 percent of the households, husband takes decisions in 26 percent of families and husband and wife take joint decisions in 26 percent of the households. Similarly for washing machine, while wife takes product decision in 34 percent of the families, joint-decision by husband and wife is reported by 30 percent of the households. The implication is that there is reasonable level of involvement for the household in product decisions in the case of products where the wife is the leading decision maker. However, the wife does not have high involvement in the case of products where the husband is

Table 7.5

Product Decision-Maker Among Sample Households - Product- Wise
(in percentage)

Products Decision-Maker	Refri.	Press. Cooker	Mixie	TV	VCR	Radio	Tape Rec.	Car	Mot. Cyc./ Sco.	Cyc.	Was. Mach.	Vac. Cle.	Foam Bed	Sett & oth. costly furn.
Husband	26	2	4	28	36	52	33	38	30	42	16	19	19	41
Wife	29	54	46.	9	3	5	9	2	0	0	34	19	26	7
Children	3	2	3	9	18	11	20	20	23	15	0	7	5	2
Husband & Wife	26	27	25	9	13	5	5	5	12	5	30	12	30	26
Husband & Children	0	2	3	8	7	6	9	5	19	25	0	12	7	4
Wife & Children	2	6	7	13	7	6	11	5	0	5	16	24	5	4
Husband, Wife & Children	14	7	12	24	16	15	13	25	16	8	4	7	8	16
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source : Survey Data n = 300

he leading decision maker.

Product Decision-Maker for Consumer Durables-Social-Class-Wise

An attempt has been made in the present study to identify the family members who are responsible for the product-decision making for consumer durables in various social classes.

The male head of household is the leading decision-maker with regard to product decisions for durables among three of the four social classes considered, i.e., upper class, upper middle class and lower class (Table 7.6). Among lower middle class families joint decision by husband and wife is more frequent than decision by husband alone. It is further noted that joint decisions by husband and wife is more a middle class phenomenon since both upper and lower middle classes show relatively higher indices in this regard.

Product Decision-Maker for Different Products-Social Class-Wise

The role of different family members vary considerably among different social classes in relation to buying decisions (Table 7.7). The dominance of the husband as product decision-maker is of very high degree among upper middle class families. For 10 of the 14 products considered, the leading decision-maker is the male head of household. In contrast, among upper class families the male head of household is the leading decision-maker only in the case of five products.

Only nine of the products under study are relevant to the lower middle class. In three of these products, the husband is the

Table 7.6

Index of Product Decision-Maker for Consumer Durables - Social Class-wise

Product Decision-Maker	Upper Class		Upper Middle Class		Lower Middle Class		Lower Class	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Husband	.64	1	.79	1	.55	2	.86	1
Wife	.45	2	.20	5	.37	3	.32	2
Children	.42	3	.15	6	.19	6	.21	3
Husband and Wife	.22	6	.56	2	.56	1	.21	3
Husband and Children	.19	7	.31	4	.22	5	.06	5
Wife and Children	.25	5	.20	5	.15	7	.03	6
Husband, Wife and Children	.30	4	.33	3	.31	4	.15	4

Source : Survey Data

Table 7.7

Index of Product Decision Maker - Social Class - Wise

Decision Maker	Upper Class						Lower Middle Class						Lower Class								
	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	G		
Perfr.	0.33	1	0.12	0.44	0	0	0.44	1	0.11	0.11	0.69	0	0.11	0.2	---	---	---	---	---	---	
Pre.Fook	0.1	1	0.1	0.54	0	0.19	0	0	0.72	0.11	0.11	0.19	0	1	0	0.24	0	0.14	0.14	---	---
Mixie	0.09	1	0.09	0.43	0	0.15	0.09	0	1	0	0.89	0.11	0.11	0.3	0.16	1	0	0.45	0	0.16	0.27
Tv Set	1	0.36	0.36	0.14	0.14	0	0.95	1	0	0.17	0.38	0.38	0	0.79	1	0.66	0	0.4	0.4	---	---
VCR/VCP	0.73	0	1	0	0.27	0.27	0	1	0	0	0.64	0.76	0.36	0.67	---	---	---	---	---	---	
Radio	1	0.07	0.29	0.13	0	0.2	0.13	1	0	0	0	0.5	0	0.31	1	0	0.13	0	0	0.13	0.54
Tape Rec.	1	1	0	0.33	0.67	0.33	1	0	0.17	0	0.17	0	0.32	0.32	1	0.38	0.66	0.66	0.38	0	
Car	1	0	0.46	0	0.27	0.27	0.7	1	0	0.26	0	0	0	0.26	---	---	---	---	---	---	
Mag. Dvc/																					
Sepp.	0.44	0	1	0	0.73	0	0.27	1	0	0.38	0.38	0.38	0	0.38	0.64	0	0.64	1	0.64	---	
Bicycle	0.6	0	1	0.18	0.28	0	0.45	1	0	0.32	0	0.92	0.32	0.18	0.7	0	0.3	0.3	1	0.2	
Was. Mach.	1	0	0.44	0.27	0	0.73	0	0.23	0.06	0	1	0	0.23	0.23	---	---	---	---	---	---	
Vac. Dir.	0.39	0.61	0	0.39	0.39	1	0	1	0	0	0.81	0.27	0.35	0.27	---	---	---	---	---	---	
Foss. Red	0.33	1	0.07	0.44	0.12	0	0.33	0.63	0.25	0.25	1	0.38	0.25	0	0.22	0.15	0	1	0	0.15	
Cost. Fur.	1	0.24	0	0.16	0.1	0	0.47	1	0	0	1	0.32	0.19	0.19	0.25	0.14	0	1	0	0.14	

Note: A - Husband; B - Wife; C - Children; D - Husband and Wife; E - Husband and Children; F - Wife and Children; G - Husband, Wife and Children.

leading decision maker. The dominance of the husband as leading decision-maker is, however, more pronounced in the case of lower class families. Of the six products relevant to them on account of possession, the male head of household is the leading decision-maker for five products.

Details regarding the involvement of family members in product decisions are given as percentage in Table 7.8.

Brand Decision-Maker for Consumer Durables

Considering all the durables and all the families covered by the study, the family member who takes the brand decision most often is the male head of household (Table 7.9). Joint decision by husband, wife and children is next in frequency. Situation of joint decisions by husband and wife closely follows. Situations where the wife takes the brand decision are in fact much less than that of brand decisions by children. Occasions where one of the spouses and the children taking brand decisions are less frequent.

In contrast to the product decision-making situations, it is noted that the involvement of children are relatively more in brand decisions.

Joint Decision

Considering brand decisions for all relevant products by all the families, data reveal that the more frequent situation is that of joint decisions than of individual decisions, though the difference is not much (Table 7.10). In 51 per cent of the situations, joint decisions have been reported while individual

Table 7.8

Product Decision Maker Among Sample Households - Social Class - Wise

Decision Maker	Husband			Wife			Children			Husband & Wife			Husband & Children			Wife & Children			Husband, Wife & Child		
	U	LM	L	U	LM	L	U	LM	L	U	LM	L	U	LM	L	U	LM	L	U	LM	L
Refrig.	14	45	---	43	5	---	19	31	---	19	31	---	0	0	---	0	0	---	19	9	---
Fref.Cook	5	0	0	52	47	66	28	34	16	28	34	16	0	5	0	10	5	9	0	9	9
Mixie	5	8	7	54	32	49	0	23	29	22	25	0	8	0	2	8	8	0	5	13	18
TV Set	27	29	35	13	5	23	8	14	14	8	14	0	8	14	0	5	14	---	26	24	14
VCR/VCP	32	33	---	0	0	---	0	21	---	12	12	---	12	12	---	12	12	---	0	22	---
Radio	55	38	56	4	6	0	16	6	7	6	6	5	0	22	0	11	6	7	7	16	30
Tape Rec.	20	47	29	54	20	0	11	0	19	0	19	0	10	15	11	15	15	0	0	10	15
Car	37	66	---	0	0	---	0	0	---	0	0	---	10	0	---	10	0	---	25	17	---
Hot.Cyc/ Scoo.	19	40	18	0	0	0	0	15	28	0	15	28	30	15	18	0	0	0	11	15	18
Bicycle	24	38	28	66	0	0	7	0	12	0	12	0	11	31	40	16	0	12	8	19	7
Was.Mach.	41	12	---	0	3	---	11	52	---	0	0	---	0	0	---	30	12	---	0	12	---
Vac.Clr.	14	37	---	22	0	---	14	30	---	14	30	---	14	10	---	30	13	---	0	10	---
Foam Bed	14	20	13	31	43	8	9	32	60	15	5	12	5	12	0	8	9	8	14	0	9
Cost.Fur.	51	37	14	52	12	0	8	8	0	8	8	0	5	12	0	0	7	8	8	24	7

Source: Survey Data n = 300 (U=79; UM=76; LM=61; L=84)

Table 7.9

Index of Brand Decision - Makers for Consumer Durables
Among Sample Households

Sl. No.	Brand Decision Maker	Index	Rank
1.	Husband	.65	1
2.	Wife	.29	5
3.	Children	.39	4
4.	Husband and Wife	.51	3
5.	Husband and Children	.15	6
6.	Wife and Children	.14	7
7.	Husband, Wife and Children	.52	2

Table 7.10
Individual Vs. Joint Brand Decision
Among Sample Households

Sl No.	Decision Maker	Percentage
1	Individual Desisions	
	a) Husband	23.7
	b) Wife	11.1
	c) Children	14.4
	Sub Total	49.2
2	Joint Decisions	
	a) Husband and wife	18.0
	b) Husband and Children	8.0
	c) Wife and Children	6.6
	d) Husband, wife and Children	18.2
	Sub Total	50.8
	TOTAL	100.0

Source : Survey Data

brand decisions occur only in 49 per cent of the cases. Brand decision involving husband and wife and also husband, wife and children are the most frequent situations. In 33 per cent of the situations children are parties to joint decisions relating to the brands. This is in addition to situations of individual decisions by children (14.4%). Evidently, the involvement of children in brand decisions are quite significant.

Brand Decisions for Different Products

Product-wise analysis indicates that brand decisions for entertainment products, except TV, (VCR, Radio, and Tape Recorders) car and costly furniture are most often taken by the male head of household (Table 7.11). The female head of household takes brand decisions for pressure cookers and Mixies. Brand decisions for bicycles are most often taken by children.

For all other products brand decisions are more frequently joint decisions. Brand decisions for Refrigerators, Washing Machines and Foam bed are joint decisions by husband and wife. For T.V. and Vacuum cleaner brand decisions are joint decisions by all family members (husband, wife and children). With respect to brand decisions for motor cycles/Scooters, the frequency of occurrence of individual decisions by children and joint decisions by father and children are the same. Details in percentages are given in Table 7.12.

Table 7.11
Index of Brand Decision-Maker-Product-wise

Sl. Brand No. Decision Maker								
	Products	Husband	Wife	Children	Husband & Wife	Husband & Children	Wife & Children	Husband Wife & Children
1. Refrigerator	.92	.92	.46		1	.08	0	.79
2. Pressure Cooker	0	1	.10		.74	0	.13	.23
3. Mixie	0	1	.17		.90	.07	.28	.31
4. T.V. Set	.38	.04	.50		.21	0	0	1
5. VCR/VCP	1	.10	.33		.10	0	.15	.40
6. Radio	1	0	.35		.26	.12	.02	.42
7. Taperecorder	1	.17	.83		.13	0	.17	.42
8. Car	1	0	.43		.29	0	.17	.97
9. Motorcycle/ Scooter	.92	0	1		.31	1	0	.62
10. Bicycle	.43	.05	1		.13	.70	0	.20
11. Washing Machine	.38	.53	0		1	.18	.53	.38
12. Vacuum Cleaner	.89	0	0		.26	.26	.46	1
13. Foam Bed	.24	.29	.12		1	.09	0	.18
14. Costly Furniture	1	0	.22		.78	.16	.03	.34

Table 7.12
Brand Decision-Maker Among Sample Households - Product - Wise
(in percentage)

II. Products/ No. Decision Maker	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Husband	22	2	3	16	48	44	29	35	24	17	13	31	13	35
2. Wife	22	41	32	8	5	1	9	0	0	2	18	0	15	3
3. Children	11	6	8	19	16	16	25	15	26	40	0	0	9	10
4. Husband and Wife	24	31	29	12	5	12	8	10	8	5	32	9	39	28
5. Husband and Children	2	2	5	7	0	6	5	0	26	28	6	9	8	8
6. Wife and Children	0	7	11	7	7	2	9	6	0	0	18	16	5	4
7. Husband, Wife & Chil- dren	19	11	12	31	19	19	15	34	16	8	13	35	11	12
8. Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Notes: 1. Fridge 2. Cocker 3. Milk 4. TV 5. VCR 6. Radio 7. Dish- 8. Car 9. Wheel 10. Cycle 11. #1
12. VC 13. Foss 14. Sette

Brand Decision Maker for Consumer Durables-Social Class-Wise

Social class-wise analysis reveals that the male head of household is the leading brand decision maker when all products are considered, among three social classes, the exception being the upper middle class (Table 7.13). Families belonging to upper middle class reported that joint brand decisions by husband and wife have the maximum frequency. It is further noted that among upper class and upper middle class families, the second most frequent situation involves joint decisions by all family members. Among the lower middle and lower classes, the second most frequent situation involves brand decisions by children. Evidently, father and children are the major brand decision-makers among the lower class and lower middle class families.

Brand Decision-Maker for Different Products-Social Class-wise

Data regarding brand decisions among different social classes indicate that for all kitchen appliances, the wife is the leading decision-maker in all classes except the upper middle class (Table 7.14). Among families in the upper middle class the most frequent brand decision situation is that of joint decision by husband and wife. With respect to entertainment items, except television, the male head of household takes the brand decision more often. Brand decision for television is more frequently a joint decision by family members. For vehicles the brand decision is most frequently a joint decision. With regard to furniture and cleaning systems, brand decisions are most often joint decisions,

Table 7.13

of Brand Decision- Maker for Consumer Durables - Social Class - Wise

Social Class & Index	Upper Class		Upper Middle Class		Lower Middle Class		Lower Class	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
band	.63	1	.51	3	.55	1	.74	1
e	.27	5	.29	5	.33	6	.24	5
ldren	.39	3	.37	4	.51	2	.66	2
band & e	.30	4	.59	1	.48	3	.59	3
band & ldren	.15	7	.24	6	.42	4	.04	7
e & ldren	.18	6	.16	7	.11	7	.12	6
band, Wife Children	.46	2	.57	2	.37	5	.25	4

Table 7.14

Index of Brand Decision Maker for Different Products in Social Class - MASE

Social Class Brand Decision Maker	Upper Class						Upper Middle Class						Lower Middle Class						Lower Class													
	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F		
Refrigerator	0.72	1	0.42	0.61	0	0	0.27	0.36	0.75	0.14	1	0	0.53	1	0	0	0.44	0.97	0	0	0.26	1	0	0	0.26	1	0	0	0.26	1	0	0
Pressure Cooker	0.11	1	0.11	0.49	0	0.31	0.2	0	1	0.13	1	0.13	0.18	0	1	0.44	0.97	0	0	0	0.26	1	0	0	0.26	1	0	0	0.26	1	0	0
Mixie	0	1	0	0.29	0.28	0.25	0.08	0	0.56	0	1	0.22	0.03	0	1	0.24	0.53	0.24	0.25	0.35	0	1	0.74	1	0	0.22	0.4	0	0.22	0.4		
TV Set	0.54	0	0.34	0.06	0.27	0.08	1	0.22	0.18	0.62	0.31	0	0.82	1	0.73	0.3	1	0	0.27	0.24	0.73	1	1	0	0.27	0.24	0.73	1	1			
VCR/VDP	1	0	0.46	0	0	0.26	0.46	1	0	0.38	0.22	0	0.33	1	1	1	0	0.81	0.19	0.19	0	0.51	1	0	0.35	0.35	0	0.11	0.17	0.17	0.17	
Radio	1	0	0.24	0.16	0	0.07	0.24	1	0	0	0.34	0.31	0	1	0	0.28	0.47	0.28	0	0.28	0	0.47	0.78	0.17	1	0.17	0	0	0.17	0.17		
Tape Rec.	1	0	1	0.5	0	0.22	0.5	1	0.45	1	0	0.27	0.46	0.65	1	0.28	0.47	0.28	0	0.28	0	0.47	0.78	0.17	1	0.17	0	0	0.17	0.17		
Car	1	0	0.23	0.23	0	0	0.86	0	0	0.61	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
Motor Cycle/Scooter	0	0	1	0.27	0.73	0	0.44	1	0	1	0.37	0	0	1	0.26	0	0.36	0	0	0	0	0	0	0	0	0	0	0	0	0		
Bicycle	0.22	0	1	0	0.53	0	0.22	0	0	1	0.15	1	0	0.19	0.73	0.3	0.73	0	1	0	0.27	1	0	1	0.39	0.24	0	0	0			
Wash. Mach	1	0.35	0	0.28	0.28	0.53	0.33	0	0.33	0	1	0	0.19	0.17	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
Vacc. Cleaner	1	0	0	0	0	0	0.64	1	0	0	0	0.97	0	0.97	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
Foam Bed	0.16	0.36	0.36	1	0	0	0.72	0.12	0.54	0.12	1	0.22	0	0.39	0.22	0.22	1	0.29	0.22	1	0.29	0.22	1	0.29	0.22	1	0	0.25	0.25	0.25		
Costly Furnit.	1	0	0.15	0.15	0.15	0.1	0.37	0.79	0.26	0	1	0.26	0	0.26	0	0.28	1	0.45	0.28	0.72	1	0	0.52	0	0.14	0	0.14	0	0.14	0		

Note: A - Husband; B - Wife; C - Children; D - Husband & Wife;
 E - Husband & Children; F - Wife & Children; and
 0 - Husband, Wife & Children.

except among the upper classes where the husband is the leading decision-maker for washing machines, vacuum cleaners and costly furniture. Details in percentages are given in Table 7.15.

Products and Conflicts

The extent of conflict experienced by the decision-making unit with regard to consumer durables differs for the various products studied (Table 7.18). The existence of conflict has been reported by several respondents. However, only very few specified the product for which conflict occurred. Conflicts have been reported more in the case of Television set and Mixie. To a lesser extent conflicts have been reported with regard to the purchase of Refrigerators, Pressure Cookers, Washing Machines and Radio. In the purchase of products such as foam bed, vacuum cleaner, Cycles, Motorcycles/Scooter and Car, very little conflict has been reported.

Type of Conflict

The subject of conflict usually relates to whether to purchase a particular product, budget, quality, brand, etc. The empirical study reveals that the most frequent issue of conflict relates to the choice of brand. Among the 160 respondents who specified the nature of conflict, 52 (33 per cent) referred to brand decision as the issue of conflict (Table 7.17). Budget is another serious issue of conflict and this has been reported by 45 respondents (28 per cent). Whether to purchase the product at all is also a significant issue of conflict and it has been reported by

Table 7.15

Index of Brand Decision Maker Among Sample Households - Social Class-wise

Sl. No.	Brand Decision Maker	Index	Rank
1.	Husband	.65	1
2.	Wife	.29	5
3.	Children	.39	4
4.	Husband and Wife	.51	3
5.	Husband and Children	.15	6
6.	Wife and Children	.14	7
7.	Husband, Wife and Children	.52	2

Table 7.16

Frequency of Conflicts in Relation to Buying Decisions
Among Sample Households

Sl. No.	Product	Frequency of conflict	Percentage
1.	Refrigerator	6	9
2.	Pressur Cooker	5	8
3.	Mixie	14	22
4.	Television Set	15	23
5.	Video Cassette Recorder	4	6
6.	Radio	5	8
7.	Taperecorder	3	4
8.	Car	2	3
9.	Motorcycle/Scooter	2	3
10.	Cycle	1	2
11.	Washing Machine	5	8
12.	Vacuum Cleaner	1	2
13.	Foam Bed	3	2
14.	Total	66	100

Table 7.17

Types of Conflicts Reported in Relation to Purchase of Durables

Type of Conflict	Frequency	Percentage
Whether to purchase	44	27
Budget	45	28
Quality	19	12
Brand	52	33
Total	160	100

Table 7.18

Persons Involved in the Conflict

Persons	Husband		Wife		Children		Total	
	No.	%	No.	%	No.	%	No.	%
Persons who suggested the purchase	37	23	69	43	54	34	160	100
Person who opposed the purchase	29	18	53	33	78	49	160	100

44 respondents (27 percent). Product quality was another subject of conflict and this has been pointed out by 19 (12 per cent) respondents.

Persons Involved in the Conflict

All family members seem to get involved in the conflict. However, it is more often the wife's suggestion that the opposed (Table 7.18). The husbands suggestion is the least opposed. The oppositions to the suggestions come most from the children. The husband's oppositions to others suggestions are the least frequent.

Method of Conflict Resolution

Different methods are adopted by consumers to resolve conflict. The accommodative strategies usually adopted include discussions, arbitrary decisions, mediation, etc. The study indicates that discussions among family members is the most frequently adopted conflict resolution method (Table 7.19). In 50 per cent of the cases discussion was the strategy for conflict resolution. This is followed by mediation, as reported by 41 per cent of the respondents who mentioned conflict. Arbitrary decision appears to be the least preferred method of conflict resolution.

Information Seeking for Conflict Resolution

Majority of the respondents (69 percent) pointed out that they sought more information for the purpose of conflict resolution (Table 7.20).

Table 7.19
Conflict Resolution

Method of Conflict Resolution	Frequency	Percentage
Discussion	80	50
Arbitrary Decision	14	9
Mediation	66	41
Total	160	100

Table 7.20
Whether More Information Was Sought

Particulars	Frequency	Percentage
More Information Sought	111	69
More Information not sought	49	31
Total	160	100

have the least significance as mediators.

Parties involved in Conflict and the Mediator

Analysis of the parties involved in the conflict and the person acting as the mediator indicates that mediation as a technique of resolving conflict has been reported by 65 respondents (Table 7.22). Categorising the decision-making units into three categories provides three parties to the conflict. While two of these parties get involved in the conflict, the third party acts as the mediator. As revealed by the data, more often it is the husband and the children who get involved in conflicts and the wife acts as the mediator (44 per cent). The least frequent conflict situation is between husband and wife where children act as mediators (21 per cent).

Buyer for Consumer Durables

The empirical analysis regarding the buyer for consumer durables reveals that it is the husband and wife who shop together (Table 7.23). The index calculated for the purpose shows that the next most dominant family member who takes the role of shopper for consumer durables is the male head of the household. This is followed by joint buying by all family members.

Table 7.21

Mediator in Conflict Resolution

1. 2. Mediator	Frequency	Percentage
. Husband	23	35
. Wife	29	44
. Children	14	21
. Total	68	100

Table 7.22

Parties Involved in Conflict and the Mediator

1. Parties involved 2. in conflict	Mediator	Frequency	Percentage
. Wife and children	Husband	23	35
. Husband and children	Wife	29	44
. Husband and Wife	Children	14	21
. Total		66	100

Table 7.23

Index of the Buyer for Consumer Durables

Sl. No.	Buyer	Index	Rank
1.	Husband	.55	2
2.	Wife	.23	4
3.	Children	.23	4
4.	Husband and Wife	.61	1
5.	Husband and Children	.21	5
6.	Wife and Children	.11	6
7.	Husband, Wife and Children	.23	3

Product category-wise analysis in respect of shopping indicates that for three of the four categories, buying is more frequently done jointly by husband and wife together (Table 7.24). The exception is in the case of entertainment items where the husband plays the role of the buyer more frequently. For kitchen appliances, shopping by wife alone is almost as frequent as joint buying by the spouses. With respect to entertainment items, shopping by the whole family is the second most frequent situation. In the buying of vehicles, furniture and cleaning systems, shopping trips by husband alone ranks second.

Buyer for Different Products

Husband takes the role of the buyer more frequently for five products: VCR/VCP, Radio, Two-wheelers, Bicycles and Costly Furniture (Table 7.25). Wife takes the role more frequently only in the case of one product: Pressure Cookers. Husband and wife together play the role more frequently for Refrigerator, Mixie, Television set, Car, Washing Machine and Foam Bed. Father and children together take the role of shopper more frequently for Tape recorder. Details in percentages are given in Table 7.26.

Buyer for consumer Durables - Social class-wise

Among the lower middle class families, the husband and wife together do the shopping more frequently for most items, while in other classes it is the husband who is the main shopper (Table 7.27). Among the upper class and upper middle class families,

Table 7.24

Index of the Buyer for Various Categories of Consumer Durables

Buyer and Index	Husband		Wife		Children		Husband and Wife		Husband and Children		Wife and Children		Husband, Wife and Children	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Kitchen Appliances	.31	3	.80	2	.03	6	.83	1	0	-	.08	5	.26	4
Entertainment Items	.55	1	.05	6	.29	4	.33	4	.29	4	.15	5	.42	2
Vehicles	.69	1	0	-	.56	3	.82	1	.45	4	.10	6	.42	5
Costly Furniture and Cleaning Devices	.55	1	.15	4	0	4	.87	1	.09	5	.20	1	.16	3

Table 7.25

Index of the Buyer for Various Products

Sl. No.	Buyer & Index Products	Husband	Wife	Children	Husband and Wife	Husband and Children	Wife and Children	Husband, Wife and Children
1.	Refrigerator	.90	.90	.10	1	0	.07	.48
2.	Pressure Cooker	0	1	0	.48	0	.08	.10
3.	Mixie	.02	.51	0	1	0	.09	.21
4.	Television set	.05	.05	.05	1	0	.25	.80
5.	VCR/VCP	1	0	.45	.30	.12	.12	.39
6.	Radio	1	0	.13	0	.02	.02	.21
7.	Taperecorder	.14	.14	.54	0	1	.21	.29
8.	Car	.08	0	.50	1	.08	.08	.64
9.	Motorcycle/Scooter	1	0	.77	.40	.63	.10	.43
10.	Bicycle	1	0	.41	.07	.63	.12	.20
11.	Washing Machine	.16	.25	0	1	.05	.23	.07
12.	Foam Bed	.76	.06	0	1	.06	0	.09
13.	Costly Furniture	1	.13	0	.62	.08	.05	.33

Table 7.26

Buyer for Various Products Among Sample Households

Sl. No.	Buyer Products	Husband	Wife	Children	Husband and Wife	Husband and Children	Wife and Children	Husband, Wife and Children
1.	Refrigerator	26	26	3	29	0	2	14
2.	Pressure Cooker	2	54	2	27	2	6	7
3.	Mixie	4	25	3	46	3	7	12
4.	Television set	9	9	9	28	8	13	24
5.	VCR/VCP	36	3	18	13	7	7	16
6.	Radio	52	5	11	5	6	6	15
7.	Taperecorder	9	9	20	5	33	11	13
8.	Car	5	2	20	38	5	5	25
9.	Motorcycle/Scooter	30	0	23	12	19	3	13
10.	Bicycle	41	0	17	3	26	5	8
11.	Washing Machine	9	14	0	57	3	13	4
12.	Foam Bed	30	7	5	38	7	5	8
13.	Costly Furniture	41	7	2	26	5	4	15

Source: Survey Data n = 300

Table 7.27

Index of Buyer for Consumer Durables - Social Class - Wise

Social Class and Index	Upper Class		Upper Middle Class		Lower Middle Class		Lower Class	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Husband	.64	1	.73	1	.55	2	.89	1
Wife	.18	5	.16	6	.42	3	.29	2
Children	.35	4	.17	5	.34	4	.18	4
Husband and Wife	.49	2	.54	2	.59	1	.23	3
Husband and Children	.11	6	.18	4	.21	6	.05	7
Wife and Children	.09	7	.06	6	.11	7	.09	6
Husband, Wife and Children	.37	3	.43	3	.30	5	.17	5

shopping by husband and wife together is evident to some extent, as it gets the second rank. Children alone performing the buying role is not very frequent.

22. Buyer for various Categories of Products - Social class-wise

The social class wise analysis of buying role for various categories of products indicates some differences across different classes -(Table 7.28). For entertainment items more frequently the husband does the shopping in all the social classes. In the case of vehicles in almost all the social classes, except in lower middle class, the husband takes the role of the purchaser. Similarly, for costly Furniture, Foam Bed and cleaning devices the husband is the buyer in upper and lower classes.

Wife is most frequently the major purchaser of Kitchen Appliances in all social classes except the upper middle class.

The joint shopping by husband and wife is more frequent only among the middle classes, both upper and lower. In the upper middle class, for the Kitchen Appliances, Costly Furniture, Foam bed and cleaning devices, they together do the shopping more often. In the lower middle class, the shopping by husband and wife team is only for costly furniture, foam bed and cleaning devices.

Children's participation in shopping is seen only rarely. They play the role of buyers for vehicles, and even this is limited to the lower middle class.

23. Buyer for Different Products - Social class-wise

In the case of Pressure Cooker and Mixie, the wife is the dominant shopper in all social classes (Table 7.29). For Refrigerators, it is often joint shopping by husband and wife. For

Table 7.2B

Index of Buyer for Various Categories of Products - Social Class-wise

Sl. No. & Product Category	Upper Middle Class				Lower Middle Class				Lower Class			
	A	B	C	D	A	B	C	D	A	B	C	D
Buyer	Index Rank	Index Rank	Index Rank	Index Rank	Index Rank	Index Rank	Index Rank	Index Rank	Index Rank	Index Rank	Index Rank	Index Rank
1. Husband	0.07	0.81	1	0.87	1	0.27	3	1	1	1	1	1
2. Wife	0.57	1	0	--	0	0.71	2	0	--	0	0.71	2
3. Children	0.69	5	0.45	2	0.68	2	0.41	3	0.10	6	0	--
4. Husband & Wife	0.68	2	0.44	3	0.15	5	0.79	2	0.87	1	0.53	3
5. Husband & Children	0	--	0.13	5	0.24	4	0.06	6	0.04	6	0.23	3
6. Wife & Children	0.10	4	0.12	6	0.69	6	0.06	6	0.09	5	0.23	3
7. Husband, Wife and Children	0.22	3	0.38	4	0.44	3	0.46	3	0.23	4	0.58	2

Note: A - Kitchen Appliances; B - Entertainment Items; C - Vehicles; and D - Costly Furniture and Cleaning Devices

Table 7.20

Buyer for Various Products Among Sample Households - Social Class-size

(in percentage)

Sl. No.	Buyer	Husband		Wife		Children		Husband and Wife		Husband and Children		Wife and Children		Husband, Wife & Children	
		U	UM	U	UM	U	UM	U	UM	U	UM	U	UM	U	UM
1.	Refrigerator	4	20	--	7	3	--	5	5	--	6	9	--	16	3
2.	Pressure Cooker	5	5	6	48	43	--	5	32	14	--	4	5	9	9
3.	Microwave	5	5	8	51	51	22	48	29	22	26	5	5	11	12
4.	Television Set	29	29	15	--	4	5	23	--	23	14	15	--	4	5
5.	VCR/VHS	32	33	--	--	0	--	--	18	--	--	12	--	--	12
6.	Radio	45	35	65	58	4	6	0	7	14	6	0	5	7	14
7.	Teletext/Recorder	20	40	26	63	5	6	11	15	9	24	29	6	18	22
8.	Car	37	53	--	--	--	--	--	12	--	10	--	10	0	10
9.	Motorcycle/Scooter	46	35	15	--	0	0	0	12	15	28	--	5	15	18
10.	Cycle	24	30	34	67	0	0	0	7	0	7	11	11	44	15
11.	Washing Machine	41	9	--	--	0	--	--	20	60	--	--	7	12	--
12.	Furn. Bed	14	20	14	34	7	0	11	30	41	50	14	5	5	5
13.	Seems and other costly	49	37	13	51	2	0	5	16	11	17	33	37	19	4

almost all the products in the Entertainment Items, the husband is the buyer more frequently in all the social classes, except the upper class. Among the upper class for VCR/VCP children take that role. In the case of Car and Motorcycle/Scooter also husband is the buyer in all social classes except lower middle class. For other items also the husband's participation in buying is almost inevitably evident.

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CHAPTER VIII

SOCIAL INFLUENCE AND INNOVATION ADOPTION

LITERATURE REVIEW

Reference Groups

The influence that shape the behaviour of the consumer depends to a greater extent on the environment he lives in. Behaviour of people, particularly consumption behaviour, is influenced by the other people who live in the society. The present chapter is an attempt at this direction and the topics covered include reference groups, word-of-mouth communication, opinion leadership and innovation adoption,

Consumer behaviour may seem to be a highly individualistic process but there is much to indicate that it is, in fact, a highly socially oriented process where group norms, reference groups, roles and status have a significant bearing on the purchaser's behaviour ¹.

People are influenced by what others buy, especially those with whom they compare themselves or whom they use as a reference group. "Keeping up with the Joneses" is an old cliché that shows a family's readiness to maintain its status in a neighbourhood group ².

Reference groups can influence the purchase of a product, the choice of a brand, or both. This influence can be positive or

negative and can work in terms of aspirations rather than current status. Reference-group influence can be especially strong in the case of product purchase decisions for which a person's individual experience provides little direct help.

The theory of reference group was put forward by Hyman in his study, "The psychology of Status", in 1942³. Reference group refers to group with which an individual identifies to the extent that he uses the group as a standard for self-evaluation., and adopts its values and goals as his personal behavioural norm⁴. On the common sense level, the concept says in effect that man's behaviour is influenced in different ways and varying degrees by other people. This view is shared by Venkatesan,⁵ who has examined the effects of group norms on consumer behaviour. Bourne⁶ suggested that the consumption of certain types of brands of products may be influenced by a person's reference group.

Reference groups can be formal in nature, as found in church and social organizations, or informal, such as friendships. Such groups usually adopt certain objects as symbols which will become desired by group members⁷. Stafford⁸ has identified three general dimensions of reference group behaviour: knowledge, affectivity, and sanctions, which are interrelated variables.

Individuals must be aware of the existence of a reference group and of its prevailing norms and values. Affectivity shows the degree of identification a person has for a particular group.

Sanctions are of two types: (i) Positive (rewards), and (ii) negative (punishment, active or passive) ⁹ Where there is considerable personal involvement, the group norms will be particularly influential.

From marketers' point of view, it is necessary to assess the extent to which consumers identify with the behavioural patterns of certain groups of society. Venkatesan ¹⁰ has found, that few individuals could care to be complete conformists in their consumption patterns. They often like to have an acceptable range of alternatives within a given norm. Generally, people conform to the group norm by buying a product, but each individual purchases a different model, colour, brand, etc., with a view to maintain a feeling of independence. Marketers need to consider how much variety within their product ranges is necessary in order to satisfy consumers' needs for self expression when buying mass-produced products.

Reference groups may be divided into : (1) those with which we often come face-to-face and (2) those generally large groups with which we have little direct contact ¹¹. It may also be classified into membership groups, aspirant groups, and negative groups. In social psychology, it has long been recognized that an individual's membership groups has an important influence on the values and attitudes he holds ¹². Recently, attention has also been given to the influence of the aspirant reference groups: the groups in which a person aspires to belong. In a given area, membership

groups and reference groups may not be one and the same. They are identical only when the person aspires to maintain membership in the group of which he is a part. Negative groups are those groups with which an individual does not wish to be identified with. It has been widely asserted that both membership and aspirant groups affect the attitudes held by the individual.

The reference groups affect consumer attitudes in at least two important ways: (i) reference groups affect aspiration levels of individuals; and (ii) they are influential in initiating certain kinds of reactions or behaviour in individuals. Therefore, the reference group norms may become guidelines which constrain an individual's market behaviour ¹³.

.1. Reference Group Functions

A reference group has four functions:

- (i) It can set and enforce group standards of belief and conduct;
- (ii) It may establish various levels of trustworthiness for people trying to communicate with the group;
- (iii) It can filter communications from outsiders to the group and thus create selective exposure for group members; and
- (iv) It provides social support for member attitudes and values¹⁴.

Most social psychologists consider reference groups to be a person's major source of values, norms, and perspectives. Group support for member attitudes and values is an important function of the group. Rewards of social approval for conformity to group

attitudes and values are given to individuals.

Research studies show that there are significant differences between groups in terms of the influence of reference groups on brand selection. Students, for instance, are generally more susceptible to reference group influence. Differences in needs or motivations among the groups result in different responses to reference-group influence. First, the lower age of students perhaps results in their having less familiarity with products and less product information and in their facing greater purchase risk than others.

Students have more frequent social contacts, more interaction within groups which impose more rules and norms, and more visible behaviour subject to group pressure than others. Third, hedonism may be stronger among students, so that they are more highly ego-involved in their purchases¹⁵. Hence, different groups exhibit different reference influences.

Let us examine a few of the group factors that influence conformity. First conformity may be related to group cohesiveness. Witts study of brand-choice behaviour found a positive relationship between group cohesiveness and brand choice conformity¹⁶. Another study¹⁷ supports the proposition that consumer conformity is likely to vary, depending on the product category. Conversely, later studies found no such relationship. Conformity also appears to be related to group size. Experiments showed that increasing the number of confederates up to three increased the pressure

oward conformity on the naive subject, but beyond this number, the influence was found to be no greater. Proximity to group members can influence conformity. Studies have found that influencers and influenced live close to each other.

The individual's relationship to the group is another factor that determines its influence on conformity. His or her integration (i.e., the level of acceptance by other group members) and his or her group role are factors that are positively related to the degree of group influence on the individuals¹⁸. However, social comparison processes are at work even in socially distant reference groups¹⁹.

Similarly the group's characteristics, outlooks, and values is also important. For example, consumers are more likely to seek product information from other members and to choose the same products as do friends who have similar attitudes. This suggests that a new product can be diffused faster when the market possess similar value orientations about similar types of products, because the likelihood of interpersonal communication and influence is likely to be greater²⁰.

The strength of reference group influence varies among different consumers, i.e., some individuals are more susceptible to reference-group influence than others. Both demographic and psychological factors are associated with a consumer's susceptibility to reference-group influence.

- (i) **Personality:** Conformity has been found to vary by personality type and is positively correlated to personality traits such as low intelligence, extroversion, ethnocentrism, weak ego, poor leadership, authoritarianism, need for affiliation and feelings of personal inferiority or inadequacy ²¹.
- (ii) **Social character:** An important consumer typology related to social character of consumers is Riesman's concept of inner directed and other-directed individual ^{22, 23}. The inner-directed individuals are those who turn to their own inner standards and values to guide their behaviour., Children in their early childhood, are taught by parents and other cultural institutions to accept and internalise these standards and values and to use them as a frame of reference for future behaviour. These standards and values are relatively durable and change little over time. Other directed individuals always seek direction and guidance of others.
- (iii) **Demographics:** Another set of factors relating to reference-group susceptibility is the consumer's demographic attributes such as difference between males and females, married couples and singles, younger and older people etc.

1.2. Types of Reference Groups

The study of reference group influence on brand decisions

of students and house wives and relevance of three types of reference group influence, informational utilitarian and value expressive ²⁴. According to the study, items with greater technological complexity are likely to be subject to informational influence. Consumers using informational reference group search for information from others, particularly opinion leaders. Utilitarian reference group implies conformity to group norms particularly when the behaviour concerned is visible to others and when others have significant sanctions involving rewards and punishments. The individual who attempts to enhance or support his self-concept by associating himself with positive reference group or dissociating himself from negative reference group is trying to get value expressive benefits from the group. While adopting value expressive reference groups, an individual adopts behaviour derived from the group as a way of establishing or maintaining the desired relationship to the group and the self image provided by this relationship.

Other studies show that reference group influence is situational, i.e., reference group influence in some cases is related to the type of product, the product's social visibility, etc. Calder and Burnkrant ²⁵ found that the consumer situation has an important impact on the nature of reference group influence.

1.3. Reference Group and Conspicuousness of the Products

Bourne ²⁶ considered the conspicuousness of a product as the most general indicator of its susceptibility to reference group

behaviour which has two aspects:

- (i) The product should be conspicuous in the literal sense of being perceived and identified by others; and
- (ii) It should be conspicuous in having certain uniqueness.

When people buying luxuries, (especially consumer durable) reference group influence would be operating. Further, if it is a publicly consumed luxury, then reference group influence would operate in brand selection. If the product is a privately consumed luxury the brand selection is not important, i.e., the brand will not be conspicuous or socially important but the ownership of the product does convey a message about the owner. In the case of publicly consumed necessity the reference group will influence the brand selection because it will be seen by others. Nobody cares about the product because it is a necessity. Consumer behaviour relating to a privately consumed necessity is largely governed by product attributes rather than by influences of others. The product purchase and brand selection will be weak because everybody has them.

4. Reference Group Effects on Product Purchases

Reference group influence is much less on small, expensive products than on large, expensive purchases. Reference-groups have very little influence on the purchase of matches and tooth paste, but a great deal on the buying of major appliances and automobiles. To serve as a means of identification with a particular reference group, a product must be conspicuous enough so that it can be seen

and identified by others.

In addition, the product must make a person more "socially visible". It must serve to differentiate him from the masses and identify him as a member of a particular group. As a product's ownership becomes widespread, its possession no longer serves to differentiate one person from another; the product loses "visibility".

2. WORD OF MOUTH COMMUNICATION AND OPINION LEADERSHIP

2.1. Word-of-mouth communication

It has been pointed out that Word-of-Mouth is the most important marketing element that exists ²⁷. While the mass media is generally potent in generating product awareness, in many instances consumers more often rely on word-of-mouth ²⁸.

Word-of-mouth communication is one of the dominant influences on purchasing behaviour for at least three reasons:

Word-of-Mouth information is thought to be reliable and trustworthy.

In contrast to mass media communication, personal contact communication offers social support.

The information provided is often backed up by social pressure and surveillance on the part of the opinion leader giving it ²⁹.

Several studies in diverse purchase situations document the influence of word-of-mouth. For instance, George Katona and Eva Mueller in their study ³⁰ found that over 50 per cent of a large sample of durable good buyers consulted their friends and relatives

for advice. They also found that over one-third of the buyers bought a brand or model which they had seen at someone else's house. Whyte in his study on the diffusion patterns of air-conditioners within neighbourhoods, found further evidence that visual influences can be important as verbal communications. Other empirical studies present evidence that personal influences are significant in the purchase of food and household products, in movie selection, and fashions; ³¹ in choosing dental products, and services ³² and physicians ³³ in framing practices and voting ³⁴ in the purchase of razor blades ³⁵ and automobiles; ³⁶ and in the purchase of new products. Arndt³⁷ has reviewed several other studies.

Negative word-of-mouth, on the other hand, can have disastrous consequences. For instance, study by Arndt found that negative word-of-mouth retarded sales of a product more than twice as strong as positive word-of-mouth promoted sales of that product. Other studies ^{38,39} have established that unfavourable information is stronger than positive information.

.2. Interpersonal Communication Networks

The mass-media channels often serve the awareness function in a modern society in which their reach is very large. Attitude and behaviour change during the acceptance process are likely to require interpersonal communications to legitimise and effectively describe the use of the innovation in a persuasive and risk-reducing manner.

Impersonal communications, including product advertising, are best viewed as inputs into the variety of communications networks that exist within a social structure. These inputs may serve to stimulate interpersonal communications whenever they provide new or inconsistent information requiring a restructuring of attitudes or behaviour. Interpersonal communications are likely to be obtained through casual conversation, which is not in any one direction of flow, but shared by the participants.

3. OPINION LEADERSHIP

Reference individual is one to whom a person looks for guidance, comparison or approval. Detailed studies of reference individuals is connected with Katz and Lazarsfeld, who called them "influentials". One of the important findings of the study is that influentials are generally of the same social class as the people influenced. Another finding is that influentials are usually identified with some particular product field and are not influentials in general ⁴⁰.

The term 'influentials' has gradually faded in the literature into another, 'opinion leaders', to describe those individuals who are models for opinion within their group, who are looked up to for information, and who pass it on. Rogers noted, however, that opinion leadership is not dichotomous: that people either are or are not leaders. Influence is a matter of degree and can be regarded as a continuous variable, rather than a dichotomy

of "leaders" and "followers" 41,42.

Opinion leadership is the ability to influence informally individual attitudes or behaviour in a desired way. Sometimes individuals with influence in the social system are professionals who represent external change agencies 43.

According to Katz and Lazarsfeld an opinion leader can influence other consumers in making buying decisions about products. They believe that opinion leaders exists at all levels of society and function in a "two-step" flow of communications where the opinion leader gets the information from the media, and passes it along to the opinion followers in the leader's sphere of influence 44. opinion leaders are generally presumed as intermediaries between marketers and the mass market that they wish to influence 45. This communication process is generally referred to as 'trickle-down' theory. A practical problem in putting the theory into action is that it is very difficult to locate opinion leaders, and the leader for one product category is often not a leader for another 46.

Katz and Lazarsfeld showed that opinion leaders are likely to be more exposed to the mass media than those whom they influence 47. The opinion leaders, in turn, exert influence on their followers through word of mouth. Within a group, the early adopters are usually opinion leaders, who are admired and imitated if their innovations are successful. word of mouth influence normally comes from people who are in the same social class, as

influence tends to travel within classes. This is directly contrary to the "trickle-down" theory, which assumed that influence flows downward from people of a higher social class to those below ⁴⁸.

In studying diffusion of innovations among farmers, Rogers ⁴⁹ developed a number of generalisations concern opinion leaders. This along with some of Stanley's ⁵⁰ comments, are as follows:

- (i). Opinion leaders conform more closely to social system norms than the average member of a group.
- (ii). An opinion leader in one subject area is quite often not an opinion leader in another. Each member of a group may have some opinion leadership in certain subject area.
- (iii). Opinion leaders are more cosmopolitan than their followers. They are in contact with more sources outside their group than are opinion followers.
- (iv). Opinion leaders use more impersonal, technically accurate and cosmopolitan sources of information than do their followers. They are more exposed to mass media than the people they lead.
- (v). Opinion leaders have more social participation than their followers and are more accessible to followers.
- (vi). Opinion leaders are not necessarily the power holders or the formal leaders in their communities.
- (vii) Opinion leaders have higher social status than their followers.

(viii) Opinion leaders are more innovative than their followers.

Merton classified opinion leaders into two categories: monomorphic and polymorphic. The former is the expert in a limited field, whose influence does not diffuse into other spheres of decision. Polymorphic opinion leaders extend their influence in a variety of areas, some of which appear to be unrelated. Some individuals fill the role of monomorphic opinion leaders for some groups and polymorphic opinion leaders for others ⁵¹.

King and Summers ⁵² using a broad definition of opinion leadership, found that about 70 per cent of their study population qualified as opinion leaders for at least one of six consumer product categories and concluded that high overlap in leadership across categories suggests the existence of a generalised opinion leaders.

2.4. Communication and Influence Flow

Personal influence is a function of communication process. Marketers had adopted different models of communication to explain consumer influence process.

As mentioned in Chapter VI, initially they assumed a one-step model of communication hoping that the consumer will notice the advertisement, be informed, persuaded or reminded by it and buy the product. Several mediating factors are actually involved between mass communication and customer decision. Realising the limitations of the one-step model of information flow, the two-step

odel of communication has been postulated. According to this model influence through information occurs in a two-step flow, moving first from mass media to opinion leaders who in turn through interpersonal network pass on the information as well as evaluation to their followers.

In a study of diffusion Arndt found general support for a number of predictions derived from the two-step flow hypothesis. Influence appears to flow from impersonal sources to opinion leaders. He also found that leaders are more active in the word-of-mouth communication process of both givers and receivers of information. The Arndt data supported the basic two-step flow model in that opinion leaders were found not only to relay information from impersonal sources, but also to transmit personal evaluations about the object of communication. Moreover, these evaluations are influential in the decision-making process of the receiver. "Those receiving favorable word-of-mouth communications were three times as likely to buy the new product as were those receiving unfavourable word-of-mouth" ⁵³.

Rogers, ⁵⁴ however, noted six limitations of the two-step flow model.

- i) It implies a passive audience and active information seeking opinion leaders who provide the main thrust in initiating the communication flow. Rather, opinion leaders may not be active seekers of information and may be passive in communicating to followers.

- i) The two-step flow masks multi-stage communication processes or, in the other direction may underestimate the direct impact the media which may have on a very large audience.
- iii) The two-step flow over emphasises the importance of the mass media for the opinion leader. "The specific channels utilised by opinion leaders depend on such considerations as the nature of the message, its origin, and the social location of the opinion leaders in the social structure".
- iv) The opinion leaders may simply be early knowers of ideas. Other people in the interpersonal channels because they are unaware of the idea-may not be capable of functioning as a source of information, thus increasing the relative importance of the mass media for early knowers.
- (v) The two-step flow hypothesis ignored the time dimension involved in decision making. Subsequent diffusion studies have demonstrated that knowledge and persuasion acceptance stages exist for opinion leaders and followers and that for both groups the mass media are important at persuasion stage. "Thus it is not only the opinion leaders who use mass media channels as the original statement of the two-step flow model seems to imply".
- (vi) The implied dichotomy of opinion leaders versus followers is misleading. First, opinion leadership is a continuous variable. Second, non-leaders are not necessarily followers.

More effective diffusion theory may be developed if we define the varieties of communications networks and their characteristics. If an interpersonal word-of-mouth communication can be started within a communication network, it may flow without the stimulus of the opinion leader through established channels, except in high-risk and inconsistency situations. In these cases there may be some persons who serve an opinion-leadership role. The important need is not to locate the opinion leader but to locate the networks of interpersonal communication.

Pareek and Singh ⁵⁵ have located different communications networks at different stages of the adoption of three agricultural innovations in India. Communications through these networks increased, in general, with the more advanced stages of the acceptance process.

Studies have shown that those higher in self-esteem are more likely to use interpersonal communication networks. Consumer adoption units are likely to make use of a variety of interpersonal communications networks, including occupational, personal, family and professional networks for husband, wife, and children. These networks are likely to be different by social class, age, life cycle, and other traditionally demographic market-segmenting variables.

If a substantial number of interpersonal communications networks do not exist, the innovation may be diffused incompletely through the social structure and fail to complete a substantial

diffusion process. Researchers have suggested that once located, we should develop methods to monitor the flow of information in the interpersonal networks and determine ways to provide the consumer with information he desires, but is not currently available through these channels.

Once these networks are specified structurally, we can begin to study how information flows within them and determine if the concept of opinion leaders has any usefulness. The amount of independence and overlap of these networks may suggest valid criteria for market segmentation. Promotional programs could then be planned both in advance of the word-of-mouth-effects and later in reaction and concert to these effects ⁵⁶.

Limitations of studies on Opinion Leadership

The studies on opinion leadership contain some major weaknesses: for example: (i) No study considered more than a few of the dimensions of opinion leadership, and many involved a single dimension. Thus, the relationships among various dimensions within a single population are unclear.

- (ii) Varying methods for measuring opinion leadership were used, including self-designation, reputational and objective measures.
- (iii) The various studies spanned a wide range of disparate populations: housewives, doctors, businessmen, teenagers and college students⁵⁷.

Most of these leadership studies have used a self-

designating opinion-leadership scale to determine opinion leadership. The scale is similar in most studies, consisting of six or seven written items asking people if they are regarded as good sources of information regarding a specific product or innovation. It seems likely that this self-designating opinion-leadership scale is correlated highly with self-esteem.

2.5. Motives for Word-of-Mouth Communication

Explanations have been offered as to why opinion leaders engage in word-of-mouth communication about products. Product involvement is one reason. Either the consumers are fascinated by a new item and feel that they must tell someone about it or the new product creates attention that need to be reduced by talking about it or recommending it. Another reason is that the influencer can gratify certain emotional needs by gaining attention, showing connoisseurship, feeling like a pioneer, claiming status, or asserting superiority. Word-of-mouth communication to fulfill such motives known as self-involvement. Consumers also get involved in disseminating information and influence primarily for the purpose of giving something to the listener, a motive based on care and affection for the other. This is known as other involvement, sometimes message involvement, particularly the method of presentation of the advertisement itself, initiates a word-of-mouth communication process⁵⁸.

2.6. Reasons for Accepting Personal Influence

Information and influence are accepted by consumers from

opinion, leaders primarily on the basis of product related factors as well as individual and group characteristics. The product related factors include product complexity and the amount of risk involved. Perception of high risk and the complexity of the product make the consumer more susceptible to personal influence, when products are highly visible and conspicuous customers are more susceptible to personal influence. However, products that can be tried and compared against objective criteria make the buyer less susceptible to personal influence. Characteristics of the consumers also decide the extend of group influence. While the 'other directed' people seek interpersonal influence the 'inner directed' people do not seek external influence. Individuals who face new life experiences are often very receptive to information and influence.

Further, those who aspire membership in a certain group are receptive to personal influence and to emulate the behaviour of members of the aspirational group.

2.7. INNOVATION ADOPTION

The adoption of innovation connotes the process by which an innovation comes to be the most acceptable alternative available at a particular time.⁵⁹ In other words, adoption is the process of acceptance or purchase of an innovation. It is the acceptance of an item or idea by a single individual. Diffusion refers to the process whereby an innovation is disseminated and accepted among individuals or other adopting units. Adoption occurs at a micro

level, whereas diffusion occurs at a macro level ⁶¹.

Rogers defined diffusion as the process by which innovation spreads through a particular society. Diffusion studies emphasise a process of social learning, in which individuals gain knowledge by observing the experience of existing consumers ⁶² Katz, Levin, and Hamilton ⁶³ defined diffusion as : (i) acceptance; (ii) over time; (iii) of some specific item- an idea or practice; (iv) by individuals, group or other adopting units, linked to; (v) specific channels or communication; (vi) to a social structure; and (vii) to a given system of values or culture. They believed that the diffusion of innovations is one of the major mechanisms of social and technical change.

Diffusion studies undertaken by scholars have paid little attention to the process by which consumers evaluate an innovative product, even though several models relevant to the adoption-decision process have been suggested ^{64,65}. Specific evaluation of the non-adopter is missing from the literature. This person probably goes through the early steps of the process in the same fashion as the adopter, yet decides not to adopt. Consideration of both adopters and non-adopters will further the understanding of the total process.

4.7.1. The Adoption Process

The adoption process is the mental and behavioural sequence and continued use of a product ⁶⁶. In the study of innovations, it is helpful to visualise the adoption process as consisting of a

series of distinct but related stages. The adoption process, as first defined in the rural sociology literature in mid-1950's, consists of the following five stages: awareness, interest, evaluation, trial and adoption. The adoption process which Robertson⁶⁷ proposed consists of six stages: awareness, comprehension, attitude, legitimation, trial and adoption.

At the awareness stage the potential adopter realises the existence of the product, but has very little information and no well-formed attitudes about it. At the comprehension stage the consumer acquires knowledge of the product and its functions. The consumer develops favourable or unfavourable behavioural predispositions towards the product at the attitude stage. Termination of the adoption process is likely at this stage if attitudes are not favourable towards the product. At the stage of legitimation, the consumer becomes convinced that the product should be adopted. At the stage of trial the consumer tests or tries the product to determine its utility. Finally, at the adoption stage, the consumer determines whether or not to use the product on a full-scale more or less permanently. Continued purchase and/or use of the item fulfills the adoption process.

At the awareness stage, the individual first becomes exposed to the innovation either through impersonal or personal communication but lacks complete information. He then may become interested in the innovation and seeks further information about it. In the succeeding evaluation stage, the potential adopter

appraises the innovation in the light of his present and anticipated needs and decides whether to try it on a small scale. After satisfactory trial, the customer may finally decide to continue the full use of the innovation. However, the innovation may be rejected or discontinued at any stage in the adoption process ⁶⁸

Adoption therefore, is to be considered as a consequence of events through which individual consumers pass over a period of time. Some consumers pass through these stages early in a products' life while others may be much later. In addition, the process describes consumers who are actively involved in thinking about the considering a product ⁶⁹.

The significance of the adoption process to the marketer is two fold. First, not all consumers pass through the adoption process with the same speed-some move swiftly, while others proceed more slowly. Second, the marketer's communication forms vary in their effectiveness over the different stages in the adoption process ⁷⁰.

7.2. Rate of Adoption and Characteristics of Innovation

It has been postulated that the rate of adoption of an innovation is largely a function of certain attributes or characteristics of the innovation. Several attributes of innovations have been identified by various researchers. Rogers postulated that certain basic consumer-perceived product characteristics could be used to predict the rate of adoption. He

suggested that relative economic or social advantage, compatibility, complexity, divisibility and communicability are probably the most important attributes. Moreover, he emphasise that it is the potential adopter's cognizance of these characteristics that counts ⁷¹.

Relative advantage is the degree to which an innovation is perceived as better than the product that it supersedes. The degree of relative advantage may be measured in economic terms; but often social prestige factors, convenience, and satisfaction, are also important components. Communicability (observability) is the degree to which the results of an innovation may be diffused to other members of the group. Divisibility (trialability) is the degree to which an innovation may be trial on a limited basis. Compatibility is the extend to which an innovation is perceived to be consistent with the existing values, past experiences and needs of the potential adopters. The adoption of an incompatible innovation often requires the prior adoption of a new value system⁷².

Complexity is the degree to which an innovation is relatively difficult to understand and use. Any new idea may be classified in a complexity-simplicity continuum. The more complex an innovation is in terms of operating it, the less rapid its acceptance will be ⁷³.

In general, innovations that are perceived by receivers as having greater relative advantage, compatibility, trialability and

communicability, as well as less complexity will be adopted more rapidly than others ⁷⁴.

Fliegal and Kivlin ⁷⁵ expanded this list to include characteristics such as financial cost, social cost, return on investment, risk associated with product and efficiency of the product in terms of (i) time saving and (ii) avoidance of discomfort. Every marketing innovation will not be actually superior to existing forms or brands or not seemingly so in the mind of the consumer due to the lack of objective measuring criteria ⁷⁶.

3. Adopting Units

The adopting unit, in the context of an innovation, is the individual or group that participates in the acceptance decision-making process leading to potential adoption of an innovation. Individual is the frequently assumed adoption unit. For any products, however, the family is the major adopting unit. In certain product fields, such as food, the family may be the adopting unit. While for products such as clothing, the individual may be the adopting unit. The complexity of the adoption process increases with the increase in the number of people in the adopting unit. Multi-member units other than the family which have received attention of researchers include cities, state legislatures and complex organisations. Katz, Lewin and Hamilton ⁷⁷ have broadly classified units of adoption into three categories: the individual, the informal group and the formal organization.

Rogers and Stansfield⁷⁸ have specified several characteristics relating to innovativeness in agricultural context. The relevant attributes related to innovativeness include more education, higher income, higher level of living, more mass media exposure, and more active participation in group activities. Age has also been identified as a good discriminator of innovative behaviour. Boone identified more or less the same characteristics mentioned by Rogers and Stansfield. King has identified the fashion innovators among women as older, having more education and income and more involved in social visiting than later adopters. Robertson found the innovators more venturesome, more socially integrated, socially mobile, financially privileged, and less cosmopolitan than non-innovators.

In general, innovators appear to be well-educated, to be self-confident and to have ready access to information both nationally and locally. They are willing to change their habits of consumption and are likely to switch brands more readily than later adopters. But it appears there are no general innovators for all products and services. Different individuals seem to be effective in particular areas of innovation. 'High mobility' is another distinctive features of early adopters. These individuals tend to move around a lot; they are experimental and welcome new ideas. They tend to upgrade their house and its equipment. Vance⁸² referred to the 'exploitation' by advertisers of these

upgrading urge of people. Advertisers, it is held, have a vested interest in 'upward' mobility.

Majority of empirical studies in the area have found that early adopters of innovations have more education more income and higher status occupation than do non-adopters 79,80,81,82,83,84,85

Later studies have found that adopters are younger than non-adopters of the following innovations: Bank cards, Mazdas, 86 consumer information services 87 and self service gasoline. On the other hand, Rogers, and Shoemaker 88 listed more studies that found older consumers more likely to be adopters than studies with the opposite findings.

Some of the contradiction can be attributed to the nature of the product; complex innovations that involves a large financial risk are more likely to be adopted by consumers who have larger incomes.

EMPIRICAL ANALYSIS

Social Influence on Durable Purchase

During the survey respondents were asked to specify the reasons as well as the influencing people behind the purchase of consumer durables. The questions were structured in such a way that the responses would indicate the people who really influenced the purchase. Respondents were asked to react to certain statements indicating whether they were true or false. The groups considered were reference group and family members. The results of the

responses are tabulated in table 8.1.

Data (Table 8.1) reveal that groups outside the family were the significant social groups influencing the purchase decisions with regard to consumer durables. In 82.3 per cent of the cases, social groups were responsible for the purchase of the product. Only in 17.7 per cent of the cases family members influence the purchases. The social groups influencing the purchase included relatives, family friends as well as other small social groups evidently the groups in question are reference groups.

Consultation with Personal Source of Influence

Another question was intended to find out whether customers seriously consult any personal source of influence. In 97 per cent of the cases the customers consulted personal sources while purchasing durables (Table 8.2). Only three per cent denied any consultation with personal sources. The data indicate high level of social influence in the purchase of consumer durables.

3. Consultation with Personal Sources-social Class Analysis

Analysis of the extent of consultation by respondents in different social classes indicate that there is slight difference in the extent of consultation among different social classes (Table 8.3) While the upper class and the lower middle class reported 100 per cent consultation, among upper middle class consumers only 93

Table 8.1

REFERENCE GROUP AND FAMILY INFLUENCE ON PURCHASE OF
CONSUMER DURABLES

Sources	Percentage	Index	Rank
<u>A. Social Influence</u>			
Most people consider it very essential	14.7	1	1
Most people in our social group have it	13.3	.86	4
People buy it when they see others have bought it	12.7	.80	6
Most people in our social group feel that it is bad not to have it	14.1	.94	3
Most of our family friends have it	14.4	.97	2
Most of our relatives have it	13.1	.84	5
Total	82.3		
<u>B. Family Influence</u>			
The male head of the household was more keen to purchase it than other family members	4.9	0	-
The female head of the household was more keen to purchase it than other family members	6.9	.20	7
Grown up children in the family were more keen to purchase it than other family members	5.9	.10	8
Total	17.7		

Table 8.2

CONSULTATION WITH PERSONAL SOURCES BEFORE
DURABLES PURCHASE - GENERAL

PARTICULARS	No. of Respondents	Percentage
Consult with personal sources	292	97
No consultation with personal sources	8	3
Total	300	100

(Source : Survey Data)

Table 8.3

CONSULTATION WITH PERSONAL SOURCES BEFORE

DURABLES PURCHASE - SOCIAL CLASS - WISE

Particulars	U		UM		LM		L	
	F	%	F	%	F	%	F	%
Consult with personal sources of influence	79	100	71	93	61	100	81	96
No of consultation with personal sources of influence	0	0	5	7	0	0	3	4
Total	79	100	76	100	61	100	84	100

(Source : Survey Data)

n = 300

per cent reported that they had any consultation. Among the lower classes consultation was reported by 96 per cent of the respondents.

3.4. Personal vs. Commercial Sources of Information

In order to determine the extent of personal influence with regard to different product categories respondents were asked to specify the most important source of information with regard to different products. Product category wise analysis of the data reveal that the degree of personal influence varies with different categories of products. (Table 3.4) Personal source of information relatively less relevant in the case of furniture and cleaning devices. Only 49 per cent of the respondents indicated that personal source of information was the most important source. However, in the case of other product categories the importance of personal sources of information is definitely high. Personal sources of information are relatively more in the case of entertainment items (70 per cent). The primary of word-of-mouth communication in the respect to the purchase of consumer durables is quite evident from the study.

2.5. Significance of Personal Source for Various Product Groups-

Social class-wise

The importance of the personal source of information and influence varies among the different social classes. Table 8.5 reveals that while personal sources are more significant among the upper class customers it gradually diminishes among the upper

Table 8.4

MOST IMPORTANT SOURCES OF INFORMATION (Personal & Commercial) -

PRODUCT CATEGORY - WISE

(Figures in Percentage)

Sources \ Product category	Kitchen Appliances	Entertainment items	Automobiles	Furniture and Cleaning Devices
Personal	69	70	67	49
Commercial	31	30	33	51
Total	100	100	100	100

(Source: Survey Data)

n=300

Table 8.5

MOST IMPORTANT SOURCES OF INFORMATION FOR

VARIOUS PRODUCT CATEGORIES (Personal & Commercial) - Social Class wise

(in percentages)

Sources Product Category	Personal				Commercial			
	U	UM	LM	L	U	UM	LM	L
When Appliances	60	66	69	62	40	34	31	38
Entertainment Items	60	67	63	59	40	33	37	41
Articles	82	60	54	42	18	40	46	58
Attire Cleaning of Places	52	52	44	62	48	48	56	38
Average	63.5	61.3	57.5	56.3	36.5	38.7	42.5	43.7

Source : Survey Data)

n = 300 (u = 79, UM = 76; LM = 61; L = 84)

middle, the lower middle and lower classes. The percentage of respondents preferring personal sources are 63.5 among upper class, 61.3 among upper middle class, 57.5 among lower middle class and 56.3 among lower class. Personal source of information and influence is least significant among the lower classes.

Among the upper class customers personal sources are more significant in the case of vehicles and least significant in the case of furniture and cleaning equipments (Table 8.5) Among the upper middle classes, the influence of personal source is least in the case of furniture and cleaning equipments (52%) and highest in the case of Entertainment items (67%). The lower middle class consumers depend on personal sources more in relation to kitchen appliances (69%) and least in relation to furniture & cleaning equipments (44%). For the lower class consumers, personal sources are least significant in the case of vehicles (42%).

Important Personal Sources of Influence

Table 8.6 attempts a detailed analysis of the particular social groups which provide information and influence in the purchase of consumer durables, the four reference groups considered are friends, neighbours, relatives and colleagues. Among these the most significant group consists of friends, since 23.1% of the families indicated the preference for friends. Relatives take the second position in the hierarchy of reference groups with 14.1% percent of the households indicating this.. Neighbours as a group have reportedly the least important source of information and

Table 8.6

IMPORTANT SOURCES OF INFLUENCE FOR
CONSUMER DURABLES

(in percentages)

Sources of Information	Percentage
PERSONAL	
) Friends	23.1
) Neighbours	10.8
) Relatives	14.1
) Colleagues	11.4
Total	59.4
STOREKEEPER & SALES PERSON	22.7
ADVERTISEMENTS	17.9
Total	100.0

influence (10.8%).

Reference Group Influence for Different Product Categories

The analysis of the influence of various groups in respect of various product categories reveals that friends are the most important source of influence with respect to all the product categories (Table 8.7). The second most important source of influence is relatives (Table 8.7). Colleagues are relatively less important.

8. Influentials for Different Products.

Product-wise analysis also indicates that friends are the most important source of influence with respect to most of the products (Table 8.8). Except vacuum cleaner and foam bed, for all other products, friends are the most significant reference groups. For foam bed it is the relatives ^{who} are the trusted sources. Among personal sources, Colleagues are the most trusted sources of influence with respect of vacuum cleaner.

9. Aspects of Durables Discussed with Personal Sources.

The product features and other aspects which consumers discuss with personal sources provide considerable insight into the nature of reference group influence (Table 8.9). The most important aspect of durables consumers discuss with friends relate to the details of various models of the product available (27%). Friends are also the major source of information and influence with regard to details of brands and stores (22%). Performance of the product is the most important attribute consumers discuss with

Table 8.7

REFERENCE GROUP INFLUENCE ON - PRODUCT CATEGORIES

(in percentage)

Sources Product Category	Personal Sources					Commercial Sources	Total
	Fri-ends	Neigh-bours	Rela-tives	Colle-agues	Total		
Shen Appliances	23	12	17	12	64	36	100
ertainment is	25	10	16	14	66	34	100
icles	29	11	12	10	62	38	100
ly Furniture Cleaning ices	18	10	12	10	50	50	100

Table 8.8

REFERENCE GROUP SOURCES OF INFLUENCE - Product - wise

(in percentage)

Sources Products	Personal Sources				Total	Comme- rcial Sour- ces	Total
	Fri- ends	Neigh- bours	Rela- tives	Colle- agues			
Refrigerator	27	9	20	12	68	32	100
Pressure Cooker	19	17	12	12	60	40	100
Television set	23	10	18	11	62	38	100
VCR	25	12	17	12	66	34	100
Video recorder	23	6	19	13	61	39	100
Radio	27	13	12	19	71	29	100
Gramophone	24	11	15	11	61	39	100
Washing Machine	31	9	15	13	68	32	100
Motorcycle/Scooter	24	11	6	11	52	48	100
Car	31	13	14	7	65	35	100
Washing Machine	23	11	4	8	46	54	100
Dryer Cleaner	8	5	5	12	30	70	100
Ironing Bed	19	10	23	9	61	39	100
Washing Furniture	20	14	18	10	62	38	100

Table 8.9

**ASPECTS OF CONSUMER DURABLES DISCUSSED WITH
PERSONAL SOURCES (Weighted)**

(in percentage)

Aspects Discuss with	Details of Brands	Details of Models	Price	Perfor- mance	Quality	Store
Friends	20	27	13	8	10	22
Neighbours	19	7	20	33	8	13
Colleagues	23	32	20	5	8	12
Relatives	14	8	34	8	26	10

neighbours (33%). Price and details of brands are also discuss with them. Colleagues are the most significant source of information and influence with regard to details of brands and models. Relatives are consulted more than others on price and quality (34% and 26% respectively).

The data further reveal that while colleagues are the most depended sources for consultation on details of brands and models relatives are the most trusted source for price discussions. With regard to performance of the product neighbours are consulted most and with regard to quality relatives are more dependable sources. Friends are consulted most on the selection of stores.

10. Opinion Leadership

Self designating opinion leadership scale has been used in the study to identify opinion leaders among the respondents. Top 25 percent of the respondents based on the score has been considered as opinion leaders.

10.1. Opinion Leadership and Age

The respondents below 30 have more opinion leadership than among any other group (Table 8.10). However, among consumers in the age group of 30-39 there are hardly any opinion leaders. The second highest percentage of opinion leaders is among people who are in the age group of 50 or above.

10.2. Opinion Leadership and Level of Education:

Among people with high level of education, 63 percent have

Table 8.10

OPINION LEADERS AND AGE

Age Group	Percentage Concentration of opinion leaders	Base
< 29	47*	44
30 - 39	3	94
40 - 49	16	107
> 50	18	55

Source : Survey Data

*Read : 47 per cent of the 44 respondents who were 29 years or younger were opinion leaders.

been rated as opinion leaders (Table 8.11). Among respondents with medium level of education 20 percent have been rated as opinion leaders. Among respondents with low level of education only four per cent get high score in opinion leadership. Obviously, there is a high relationship between level of education and opinion leadership.

3. Opinion Leadership and Level of Income

The data do not conclusively validates the hypothesis that there is a strong relationship between opinion leadership and income. More of the opinion leaders are indeed consumers with annual income above Rs. 3.5 lakhs (36 percent) (Table 8.12). On the contrary, opinion leadership is low among people with annual income below Rs. 25,000 (seven per cent). However, the least number of opinion leaders are among people with annual income between Rs. 2.5 lakhs and Rs. 3.5 lakhs, while 22 per cent of the respondents in the income group of Rs. 25,00 to Rs. 2.5 lakhs have relatively low score on opinion leadership.

3.4. Opinion Leadership and Level of Occupation

There is high correlation between opinion leadership and level of occupation. While 37 percent of the professionals get high score on opinion leadership, only three percent of the unskilled workers were opinion leaders. (Table 8.13). In between, the number of opinion leaders declined with the occupational level.

1. Innovativeness

The self designating innovativeness scale has been used to

Table 8.11

OPINION LEADERS' LEVEL OF EDUCATION

Educational Level	Percentage Concentration of opinion leaders	Base
High	63*	92
Medium	20	55
Low	4	153

Source : Survey Data

*Read : 63 per cent of the 92 respondents with high level of education were opinion leaders.

Table 8.12

OPINION LEADERS LEVEL OF INCOME (Fairly Income)

(Rs. in lakhs)

Level of Opinion	Percentage Concentration of opinion leaders	Base
> 3.5	36*	72
2.5 - 3.5	5	69
0.25 - 2.5	22	67
< 0.25	7	92

Source : Survey Data

*Read : 36 per cent of the 72 respondents with annual income of above Rs.5 lakhs or above were opinion leaders.

Table 8.13
OPINION LEADERS AND OCCUPATION

Occupation	Percentage Concentration of opinion leaders	Base
Professionals	37*	112
Non - Gazetted Officers, etc.	33	70
Skilled workers	17	46
Semi - Skilled workers	6	36
Unskilled workers	3	36

Source : Survey Data

*Read : 37 per cent of the 112 respondents with professionals were opinion leaders.

identify the innovators. Consumers were ranked according to their total score in the innovativeness scale. The top 25 per cent of the respondents have been considered as more innovative (Table 8.14). In marketing literature a much lesser percentage of consumers are regarded as innovators. However, the limited sample size of the present study and the need for category-wise analysis necessitated that the relatively more innovative consumers to be considered as innovators.

1.1. Innovators and Age

Data reveal that more innovators are in the age group of less than 29. Thirty per cent of the 44 respondents who were 29 years or younger were innovators. The percentage of innovators gets reduced as age increases. Among respondents in the age group of 30-39 innovators are 28 per cent. Among people above the age of 50, only 18 per cent are innovators. The study indicates that there is an inverse relationship between age and innovativeness.

1.2. Innovators and Level of Education

The data indicate that among people with low level of education there are only few innovators (eight per cent) (Table 8.15). However, more innovators are among people with medium level of education (57 per cent). In contrast, only 35 per cent of the respondents with high level of education are innovators.

1.3. Innovators and Level of Income

The innovativeness is low among consumers with annual income less than Rs. 25,000 (Table 8.16). However, it increases

Table 8.14

INNOVATORS AND AGE

Age Group	Percentage Concentration of innovators	Base
< 29	30*	44
30 - 39	28	94
40 - 49	24	107
> 50	18	55

Source : Survey Data

*Read : 30 per cent of the 44 respondents who were 29 years or younger were innovators.

Table 8.15

INNOVATOR'S LEVEL OF EDUCATION

Educational Level	Percentage Concentration of innovators	Base
High	35*	92
Medium	57	55
Low	8	153

Source : Survey Data

*Read : 35 per cent of the 92 respondents with high level of education were innovators.

Table 8.16

INNOVATOR'S LEVEL OF INCOME (Fairly Income)

Level of Income	Percentage Concentration of innovators	Base
< 0.25	18*	92
0.25 - 2.5	22	67
2.5 - 3.5	30	69
> 3.5	30	72

e : Survey Data

: *Read : 18 per cent of the 92 respondents with annual income Rs.25,000 or lower were innovators.

with level of income, though not in proportion to the increase in income. Therefore, the primary data validates the postulate that there is a correlation between income and innovativeness.

11.4. Innovativeness and Level of Occupation

While quite a significant per cent (40 per cent) of the professionals receive high score of innovativeness, the semi-skilled and unskilled workers reveal low level of innovativeness (nine per cent each) (Table 8.17). Data indicates the positive relationship between occupation and innovativeness.

Table 8.17

INNOVATORS AND OCCUPATION

Occupation	Percentage Concentration of innovators	Base
Professionals	40*	112
Non-Gazetted Officers	20	70
Skilled workers	22	46
Semi-Skilled workers	9	36
Unskilled workers	9	36

ce : Survey Data

: *Read : 40 per cent of the 112 respondents with professional level of occupation were innovators.

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CHAPTER IX
RISK AND DISSONANCE

LITERATURE REVIEW

Perceived Risk

The concept of perceived risk, introduced by Bauer,¹ states that consumers characteristically develop decision strategies and ways of reducing risk that enable them to act with relative confidence and ease in situations where their information is inadequate and the consequences of their actions may be drastic.²

Risk arises because in every buying situation a consumer tries to identify buying goals and match those goals with product or brand offerings. In doing so, he may experience uncertainty about (1) what his buying goals are (2) which purchase (product, brand, model, style, size etc.) will best match or satisfy acceptance levels of buying goals; and (3) possible adverse consequence if the purchase is made (or not made) and the resultant failure to satisfy buying goals.³ Bauer pointed out that 'consumer behaviour involves risk in the sense that any action of a consumer will produce consequences which he can't anticipate'.⁴

The two major components of perceived risk, uncertainty and perceived adverse consequences are the buyers level of confidence and degree of informations. To Cox⁵, buyer confidence is negatively related to the degree of uncertainty. If the perceived consequences remain constant, higher level of confidence

will reduce perceived risk and there by decrease inclination to search.

However, an alternative explanation is that low perceived proficiency to judge will motivate the buyer to bypass personal examination of alternative and rely instead on the recommendations of one or more outside information sources. This responsibility transfer will result in a reduction in the amount of search effort exerted by the consumer. Conversely, increased faith in evaluation skills encourages the individual to search more extensively.⁶

In a normative sense, buyer should keep on search until the incremental cost and perceived benefit of acquiring the new information become equal. A major benefit of search may be seen as the reduction in risk^{7,8,9,10}. Generally, the higher the perceived risk, the greater the extent of search expected.

1. Types of Risk

The purchase of durable item involves the following types of risk:

- Financial risk - The consumer may lose money if the brand doesn't work at all.
- Performances risk - The brand may not work properly
- Physical risk - The brand may be or become harmful or injurious to one's health.
- Psychological risk - The brand may not fit in well with the consumer's self-image or self-concept.
- Social risk - The brand may negatively affect the way

others think of the consumer.

Time loss risk - The brand may fail completely, thus wasting the consumer's time, convenience and effort in getting it adjusted, repaired or replaced. Thus overall risk is a combination of several factors as perceived by consumer when buying a product.⁶

2. Risk - handling Strategies

To tackle the hazards of buying, consumers tend to adopt risk-handling strategies. One such tactic of reducing risk is repeated purchase of the same brand, i.e., brand loyalty. Another strategy is seeking additional information with respect to the decision problem.¹² In selecting the second strategy the pertinent question is whether there are any relations between the importance of each information source and the degree of perceived risk in particular purchase situation. Arndt studied the relations between perceived risk and word-of-mouth and found that word-of-mouth is sought more by those who perceive high risk.¹³

Studies on the correlations between financial risk and personal influence revealed that higher the risk involved in a particular purchase decision, the greater the importance of personal influence.¹⁴ Later a stream of research studies pointed out that there existed a positive relationship between perceived risk and information search. Sheth and Venkatesan found that people who

perceive high risk search for more information.¹⁵ Jacoby reported that acquisition of information can reduce perceived risk.¹⁶ More recently, Capon and Burke found that high perceived risk leads to greater depth of search¹⁷.

Sheth and Venkatesan position risk theory in a dynamic frame-work.¹⁸ They state that: (i) dependence on informal sources of information should diminish as buyer gains experience; (ii) brand loyalty should emerge over time if brand image exists, (iii) pre-purchase deliberation should reach a minimum level through experience; and (iv) decision-making should be programmed or routinised.¹⁹

3. Risk Shift

Social psychology gives an exhaustive literature on degrees of willingness to take risk under subjectively perceived risk conditions. Most of these studies relate to the effects of group discussion and decisions on an individual's acquiescence to take risk in "life dilemma" situations. Studies reported greater volition by the group and the individual to take risk after group discussion; this increases the "risk shift". Two explanations of this phenomenon have been explored extensively by researchers: (i) "Responsibility diffusion" hypotheses: i.e., in a group setting, responsibility for the possible failure of a risky decision can be shared with other members of the group. Individual group members are therefore, more willing to take chances. (ii) "Value theory" hypothesis is that willingness to take risk in certain

situations is a culturally valued characteristic. The theory holds that the disclosure of risk level in the presence of others induces individuals to become more risk taking ²¹. The proponents of the former hypothesis is Kogan and Wallach and latter Brown.

4. How Consumers Deal with Risk

Consumers may take various steps to handle the problems of risk. In most cases, this results in endeavours to alleviate risk. Consumers develop various tactics to reduce perceived risk, including the following;

- i) Buy the brand whose advertising has endorsements or testimonials from typical consumers, from a celebrity, or from an expert on the product.
- ii) Buy the brand that the consumer has used before and has found satisfactory..
- iii) Buy a major, well-known brand, and rely on its reputation.
- iv) Buy the brand that has been tested and approved by an agency, private or government.
- v) Buy the brand offering a money back guarantee with the product.
- vi) Buy a most expensive and elaborate model of the product.²²

POST PURCHASE BEHAVIOUR

1. Consumer Satisfaction/Dissatisfaction.

The purchase and use of a product leave the consumer either satisfied or dissatisfied. Customer satisfaction with a purchase

presumably leads to repeat purchases, acceptance of other products in the product line, and favourable word-of-mouth communication.²³ To Howard and Sheth, satisfaction refers to the buyer's state of being adequately rewarded in a buying situation for the sacrifice he has made. Adequacy of satisfaction is a sequel of matching actual post purchase and consumption experience with the expected reward from the brand in terms of its anticipated potential to satisfy the consumer's motives.²⁴

Studies show several determinants of consumer satisfaction, such as demographic variables, personality variables, expectations and other factors. It has been observed, for instance, that older consumers tend to have lower expectations and to be more satisfied. Men tend to be more satisfied than women. Higher levels of education tend to be highly correlated with lower satisfaction. People with more self-confidence and more competence in a given product area, and persons who are more satisfied with their lives as a whole tend to be more satisfied. There is also greater satisfaction when relevant others are perceived to be more satisfied.²⁵

The level of expectations and the level of satisfaction is not directly correlated. Instead, a transmitting variables known as "disconfirmation of expectations" is thought to be a significant mediator. When a consumer does not receive what is anticipated, the situation is one of disconfirmation. Such disconfirmation can be of two types: (1) positive disconfirmation occurs when what is

obtained is better than expected, and (ii) negative disconfirmation occurs when things turn out worse than anticipated 26,27.

The results of satisfaction are more favourable post purchase attitudes, higher purchase intentions, and brand loyalty. However, consumers will not always follow these established patterns, but will act contrary to these norms simply for the sake of novelty.²⁸ Conversely, if consumers are dissatisfied, they are likely to show less-favourable attitudes, lower purchase intentions, brand switching, complaining behaviour and negative word-of-mouth.

2. COGNITIVE DISSONANCE

An extremely important cognitive idea was articulated by Leon Festinger in his book, "A Theory of Cognitive Dissonance."²⁹ The focus of the dissonance theory is on explanations of how tension and cognitive inconsistency are resolved after a decision has been made. Risk and conflict are terms used to describe the pre-decision phase of consumer decision making, whereas dissonance applies to the post-decision phase. This is a notable distinction, because the resolution of dissonance reduction process can lead to further information seeking.³⁰

According to Leon Festinger whenever an individual makes a decision he will have some degree of cognitive dissonance. A consumer will have doubts and anxieties about the choice he has made because the alternatives foregone had certain desirable traits and the product chosen has some undesirable elements which the

person must now accept.

The theory is based on the fact that an individual strives for consistency within himself. His opinion and attitudes tend to exist in clusters that are internally consistent. The presence of dissonance gives rise to pressures to reduce or abrogate dissonance because dissonance among cognitive elements is psychologically uncomfortable, which in itself motivates the individual to reduce the dissonance and achieve consonance.³¹ When dissonance exists, an individual will attempt to reduce it by such methods as playing down or avoiding the importance of the negative aspects of his decision and enhancing the positive elements.³² Another way the individual can reduce dissonance is to seek out supportive information to reinforce his decision.³³

According to contrast theory a consumer who receives a product less valuable than he expected will increase the gulf between the product perceived and the product expected. Even if this initial anticipation were to change, he would still be free to compare unfavorably the product perceived with better ones.³⁴

On the other hand, Festinger's theory of cognitive dissonance might lead one to predict the reverse effect. Dissonance theory would imply that a person who anticipated a high value product and obtained only a low value product would recognize the disparity and experience cognitive dissonance. The existence of dissonance should produce pressures for its reduction, which could be accomplished by adjusting the perceived disparity. One possible

method to make compatible the disparity between expectation and product would be to raise the evaluation of the obtained product.³⁵

An experimental study by Bell on consumer dissonance provided the following findings:

- i) Consumers who buy when they have strong inducement should experience less dissonance than those who buy without inducement.
- ii) Consumers who obtain adequate information probably will have less dissonance than those who buy without sufficient information.
- iii) Product alternatives with very similar attributes may cause greater consumer dissonance than dissimilar alternatives.
- iv) Interaction effects occur when various dissonance arousing factors are combined in one buying situation.³⁶

2.3. Dissonance Reduction Behaviour

Consumers may encounter dissonance over purchase decision. This behaviour is more present for the purchase of durables on account of the comparatively high monetary value. In order to create consonance, several of consumer-initiated tactics have been suggested.³⁷ These includes (i) change his evaluation of the alternative; (ii) seek new information to support his choice; (iii) change his attitude; (iv) try "selling" friends on the positive features of the brands; and (v) look to satisfied owners for their

reassurance. This indicates that the consumer can in order to reduce dissonance, re-evaluate product alternatives, seek additional information in order to confirm the wisdom of his product choice, change his attitude to make them consonant with his behaviour, talk about the positive features of the product/brand and approach satisfied consumers for reassurance.

EMPIRICAL ANALYSIS

1. Risk Perceived for Consumer Durables

Consumer perceive risk because of the lack of familiarity with the products they are considering for purchase. In the purchase of consumer durables, it appears that perceived risk is particularly significant in the case of financial risk (table 8.1). The tabulated data show that the most important risk the consumers perceive in the purchase is financial risk. If the brand does not work at all the consumer may lose money. Similarly, if the products need more money in order to keep it in good shape, the consumers may lose money. Therefore, the consumer's key risk perceived in the purchase of consumer durables remains financial risk. This is followed by performance risk. Social or psychological risk gets the third rank. The risk to self and to others which the product may pose does not seem to be significant in the purchase of consumer durables.

2. Risk perceived for Various Product Categories:

Table 9.1

Index of Risk Perceived for Consumer Durables

	Index: Risk perceived	Index	Rank
1	Financial	0.86	1
2	Social/Psychological	0.31	3
3	Physical	0.11	4
4	Performance	0.64	2

Table 9.2

Index of Perceived Risk for Various Categories of Products

Perceived Risk	Product Category	Financial		Social/ psychological		Physical		Performance	
		Index	Rank	Index	Rank	Index	Rank	Index	Rank
1	Kitchen Appliances	0.97	1	0.47	2	0.33	4	.47	3
2	Entertainment Items	0.99	1	0.36	3	0.03	4	0.79	2
3	Vehicles	0.57	2	0.21	3	0.14	4	0.98	1
4	Costly Furniture and Cleaning Devices	0.85	1	0.24	3	0	-	0.38	2

The consumers perceive risk in making product decisions because of their limited experience with the product category. It may vary from category to category. Analysis (Table 9.1) indicates that financial risk is the most important risk perceived by consumers, followed by performance risk. The index of perceived risk shows that for three product categories (kitchen appliances, entertainment items, and furniture and cleaning devices) financial risk has first rank and for vehicles second rank. For vehicles, performance risk is the most important perceived risk. Performance risk is the second most significant risk while purchasing entertainment items and furniture and cleaning devices. In all product categories physical risk is the least significant. Psychological risk has the second rank for kitchen appliances and third rank for all other product categories.

Risk Perceived for Different Products

Product-wise analysis indicate the predominance of financial risk (Table 9.3). Financial risk gets the first rank in the case of eight products (refrigerator, mixie, television set, VCR/VCP, tape recorder, bicycle, washing machine and vacuum cleaner) and second rank in the case of remaining six products (pressure cooker, radio, car, motorcycle/scooter, foam bed and costly furniture). Performance risk which gets the second position in overall ranking, gets five first ranks (Radio, Car,

Table 9.3

Index of Risk Perceived for Different Products

Sl. No.	Perceived Risk Products	Financial Index	Financial Rank	Social/Psychological Index	Social/Psychological Rank	Physical Index	Physical Rank	Performance Index	Performance Rank
1.	Refrigerator	.42	1	.42	3	0	-	.77	2
2.	Pressure Cooker	.91	2	.35	3	1	1	0	-
3.	Mixie	.63	1	.63	2	0	-	.63	2
4.	Television Set	.77	1	.77	3	0	-	.95	2
5.	VCR/VCP	0	1	0	-	10	3	.59	2
6.	Radio	.40	2	.40	3	0	-	1	1
7.	Taperecorder	.55	1	.55	3	0	-	.61	2
8.	Car	.37	2	0	-	.37	3	1	1
9.	Motorcycle/Scooter	.33	2	0	-	.06	3	1	1
10.	Bicycle	.63	1	.63	3	0	-	.94	2
11.	Washing Machine	.77	1	.77	2	0	-	.17	3
12.	Vacuum Cleaner	0	1	0	-	0	-	.22	2
13.	Foam Bed	.39	2	.17	3	0	-	1	1
14.	Costly Furniture	.14	2	0	-	0	-	1	1

Table 9.4

Risk Perceived for Different Products Among Sample Households
(in Percentages)

Sl. No.	Perceived Risk Products	Financial	Social/ Psychological	Physical	Performance
1.	Refrigerator	39	21	8	32
2.	Pressure Cooker	33	20	35	12
3.	Mixie	46	20	14	20
4.	Television Set	32	27	10	31
5.	VCR/VCP	42	13	16	30
6.	Radio	40	17	0	42
7.	Taperecorder	40	19	12	29
8.	Car	22	0	21	57
9.	Motorcycle/Scooter	24	3	7	66
10.	Bicycle	34	22	2	32
11.	Washing Machine	43	35	8	14
12.	Vacuum Cleaner	66	7	7	20
13.	Foam Bed	25	16	9	50
14.	Costly Furniture	55	13	13	19

Motorcycle/Scooter, Foam Bed and Costly Furniture) and six second ranks. Only in the case of one product physical risk gets the first rank and the product in question is pressure cooker.

4. Risk Perceived for Consumer Durables - Social Class-wise

There is difference among the different social classes with regard to the type of risk perceived (Table 9.5). Among the middle classes, both upper and lower, financial risk is the most significant risk; next in importance is social risk. Among the upper class, performance risk is most significant and financial risk second in importance. For the lower class, however, social risk has been reported as more significant than financial risk which ranks second. Physical risk is considered least significant by all classes, except the lower class.

Performance risk perceived by the upper class relates to nine products: mixie, television set, VCR/VCP, radio, tape recorder, bicycle, washing machine, vacuum cleaner and foam bed. Financial risk is perceived in the case of four products: refrigerator, car, Motorcycle/Scooter and Costly furniture).

Financial risk perceived by the upper middle class relates to refrigerator, pressure cooker, mixie, television set, washing machine and vacuum cleaner. Performance risk is perceived for television, tape recorder, car, motorcycle/scooter and bicycle. Social risk is specified with respect to television set, VCR/VCP,

Table 9.5

Index of Risk perceived for consumer Durables social class-wise

Sl No	Social class & Index Risk perceived	Upper class		Upper Middle Class		Lower Middle Class		Lower class	
		Index	Rank	Index	Rank	Index	Rank	Index	Rank
1	Financial	0.53	2	0.57	1	0.94	1	0.76	2
2	Social/Phychological	0.23	3	0.52	2	0.61	2	0.83	1
3	Physical	0.13	4	0.31	4	0.25	4	0.19	3
4	Performance	0.92	1	0.42	3	0.44	3	0.09	4

Table F.6

Index of Risk Perceived for Different Products - Social class-wise

1. Social class 2. & Risk ----- Products	Upper Class				Upper Middle Class				Lower Middle Class				Lower Class			
	A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D
1. Refrigerator	1	0	0	.67	1	.29	.71	0	--	--	--	--	--	--	--	--
2. Pressure Cooker	0	.19	1	.30	1	0	1	.13	1	0	1	.91	--	--	--	--
3. Mixer	.69	0	.31	1	1	.02	.56	0	1	.33	0	.76	1	.45	0	0
4. Television Set	.74	.74	0	1	1	1	0	1	1	1	0	.63	--	--	--	--
5. VCR/VCD	0	.17	0	1	.36	1	0	.36	--	--	--	--	--	--	--	--
6. Radio	.36	.36	0	1	.18	1	0	0	1	.30	0	.46	.91	1	0	.42
7. Tapesrecorder	0	.49	.09	1	0	1	.44	1	1	.44	0	1	.72	1	.17	0
8. Car	1	.31	0	.51	.33	0	0	1	--	--	--	--	--	--	--	--
9. Motorcycles/ Scooter	1	.23	0	.95	0	1	0	1	1	.62	.38	0	--	--	--	--
10. Bicycle	.53	.28	0	1	.39	0	0	1	1	1	.63	.23	1	.55	.26	0
11. Washing Machine	.20	.51	0	1	1	0	.59	0	--	--	--	--	--	--	--	--
12. Vacuum Cleaner	.22	0	0	1	1	.59	0	0	--	--	--	--	--	--	--	--
13. Foam Bed	.63	0	.44	1	0	.24	1	.24	1	.78	.22	0	.72	1	.72	0
14. Costly Furniture	1	0	0	.13	.35	1	0	.17	.45	1	0	0	.22	1	0	.09

Note :A - Financial; B - Social/Psychological; C - Physical; and D - Performance

radio, tape recorder, motorcycle/scooter and costly furniture. For the television set the upper middle class perceive financial, social and performance risk almost equally. Similarly, in the case of tape recorder and motorcycle/scooter, they perceive social and performance risk almost equally.

For the lower middles the predominant risk relates to financial risk. The product for which financial risk is perceived by lower middle class are pressure cooker, mixie, television set, radio, tape recorder, motorcycle/scooter, bicycle and foam bed.

To the consumers in the lower class, social risk is more significant. Only six products are relevant to the lower class and in four products (radio, tape recorder, foam Bed and costly furniture) social risk is relevant to the class. For mixie and bicycle financial risk is more significant. Details in percentages are given in table-9.7

5. Risk reduction Behaviour

Empirical analysis tried to unveil how consumers deal with risk. The respondents, in general, relied heavily on brand image in order to reduce risk (Table 9.8). That is why 49 per cent of the respondents reported that they will buy well-known brands when they feel risk in a particular purchase situation. Buying brands satisfactory to friends and neighbours is the second important risk reduction behaviour and this has been indicated by 38 per cent of

Table 9.7

Risk Perceived for Different Products Among Sample Households- Social class-wise

(in percentage)

Sl. No.	Social Class I Risk Products	Upper Class				Upper Middle Class				Lower Middle Class				Lower Class			
		A	B	C	D	A	B	C	D	A	B	C	D	A	B	C	D
1.	Refrigerator	46	10	10	34	44	17	33	6	--	--	--	--	--	--	--	--
2.	Pressure Cooker	15	20	42	23	47	0	47	6	28	17	28	27	--	--	--	--
3.	Movie	31	9	19	41	54	7	33	6	35	21	14	30	46	28	13	13
4.	Television Set	29	29	4	38	29	29	13	29	38	38		24	--	--	--	--
5.	VCR/VCD	13	20	13	54	21	53		21	--	--	--	--	--	--	--	--
6.	Radio	21	21	0	58	14	75	0	0	57	17		26	39	43	0	18
7.	Tape-recorder	0	31	6	63	0	41	18	41	41	18		41	38	53	9	0
8.	Car	55	17	0	28	25	0	0	75	--	--	--	--	--	--	--	--
9.	Motorcycle/ Scooter	48	11	0	41		56	0	15	50	31			--	--	--	--
10.	Bicycle	28	18	7	47	41			59	35	35	21	3	42	28	19	11
11.	Washing Machine		28	10	45	57		37	0	--	--		--	--	--	--	--
12.	Vacuum Cleaner	22	14	14	50	59	41		0	--	--	--	--	--	--	--	--
13.	Rock Bed	28	11	23	38	0	15	68	16	41	34	15	9	25	41	25	9
14.	Costly Furniture	58	12	12	18	23	66	0	11	31	69		0	19	62	7	12

Source: Survey Data n = 300 (U = 79; Um = 76; LM = 51; L = 94)

Note: A - Financial; B - Social/Psychological; C - Physical; D - Performance

Table 9.8

Risk Reduction Behaviour - General

Sl. No.	Factors	Frequency	Percentage
1.	Buy well-known brands	146	49
2.	Buy brands satisfactory by friends, neighbours, etc.	113	38
3.	Buy brands offering maximum guarantee	41	13
4.	Total	300	100

Source: Survey Data n = 300.

the respondents. Guarantee has the least preference. Only 13 per cent of the respondents reported that they would buy brands offering maximum guarantee when they felt risk in the purchase of consumer durables.

The social class-wise break-up summarised in Table 9.9 indicate that the upper class and lower middle class respondents predominantly resort to buying well-known brands in order to reduce risk in the purchase of consumer durables (49% and 52% respectively). More of the lower class consumers prefer to buy brands reported satisfactory by friends, neighbours, etc., (49%). The upper middle class give equal importance to buying well-known brands and buying brands satisfactory to friends and neighbours (45% each) Buying brands which offer more guarantee is not a common practice.

3. Behaviour when a Purchase is Found Risky

Consumers characteristically develop their own unique strategies for reducing perceived risk. Among the strategies information seeking from the personal sources about the product is very vital in the study of consumer behaviour. The empirical analysis of the present study made a modest attempt at this direction. It is found that the majority of the consumers, when they feel risk, definitely discuss with the spouse (Table 9.10). The second important strategy seems to be a discussion with the children about the product and the risk inherent in the purchase of

Table 9.9

Risk Reduction Behaviour - Social class-wise

Sl. No.	Social class Factors	U		UM		LM		L	
		f	%	f	%	f	%	f	%
1.	Buy well-known brands	39	49	34	45	32	52	41	38
2.	Buy brands found satisfactory by friends, neighbours etc.	29	37	34	45	18	30	32	49
3.	Buy brands offering maximum guarantee	11	14	8	10	11	18	11	13
4.	Total	79	100	76	100	61	100	84	100

Source: Survey Data n = 300 (U=79; UM=76; LM=61; L=84).

Table 9.10

Behaviour when a Purchase is Found Risky - General

Sl. No.	Extent	Defenitely		Sometimes		Not at all	
		f	%	f	%	f	%
1.	Spouse	265	89	19	6	16	5
2.	Children	158	53	115	38	27	9
3.	Friends	105	35	179	60	16	5
4.	Opinion Leader	46	15	159	53	95	32

Source: Survey Data

Table 9.11

Communication About Product After Dissatisfaction - General

Sl. No.	Normal Communication	Frequency	Percentage
1.	Do not say anything about the purchase	20	7
2.	Reveal that the product/brand is not satisfactory	170	57
3.	Advice others not to purchase it	110	36
4.	Total	300	100

Source: Survey Data n = 300

the product. Consumers discuss with friends as well but only sometimes, as part of their effort at handling the risk in purchase. Consumers sometimes discuss with opinion leaders when they are faced with a purchase situation involving some risk.

Communication About the Product After Dissatisfaction

An attempt has been made here to analyse the impact of post purchase dissatisfaction of the consumers. The focus was on communication about the product after dissatisfaction. The normal communication of the dissatisfied consumers is presented in Table 9.11. It indicates that dissatisfied consumers reveal their dissatisfaction to others. Fifty seven per cent of the respondents has been in favour of the statement 'reveal that the product/brand is not satisfactory'. Another 36 per cent of the consumers reported that they not only reveal their dissatisfaction but advice others not to purchase the product. The rest of the consumers (7 per cent) refuse to say anything about the products about which they are dissatisfied.

The social class-wise break-up (Table 9.12) indicates that the consumers in the lower middle class and upper class reveal their dissatisfaction more than the lower class or upper middle classes. Sixty three per cent of the consumers in the upper class: 69 per cent of the respondents in the lower middle; and 50 per cent of the people in the lower class reported that they would reveal

Table 9.12

Communication About Product After Dissatisfaction -
Social class-wise

Sl. No.	Social class Communication	U		UM		LM		L	
		f	%	f	%	f	%	f	%
1.	Do not say anything about the purchase	0	0	3	4	6	10	11	13
2.	Reveal that the product brand is not satisfactory	50	63	36	47	42	69	42	50
3.	Advice others not to purchase it	29	37	37	49	13	21	31	37
4.	Total	79	100	76	100	61	100	84	100

Source: Survey Data n = 300

that the product/brand was not satisfactory when dissatisfied with a product/brand. Forty seven per cent of the upper middle class was also of the same opinion.

It is the upper middle class consumers who when dissatisfied with a product advice others not to purchase the product more than other classes. Forty nine per cent of the upper middle class respondents reported that they would advice others not to purchase the product/brand which made him dissatisfied. Similarly, 37 per cent of the upper class; 21 per cent of the lower middle class; and 37 per cent of the lower class reported the same. The percentage of consumers who revealed that they would not say anything about the purchase is negligible. Only four per cent of the upper middle class; 10 per cent of the lower middle class; 13 per cent of the lower class; and nobody in the upper class prefer not to tell others about the purchase. The indication is that there will be high incidence of negative word of mouth in the event of dissatisfaction about a product.

.8. Dissonance Reduction Behaviour-General

The empirical evidence of the present study (refer table 9.13) suggests that when dissatisfied with products the consumers think more about the positive aspects of the product. Similarly, the consumers, when dissatisfied with the product, will seek more information about the positive side of the product/brand. The data

Table 9.13

Customer Response When Dissatisfied with Products

Sl. No.	Response	No. of Respondents	% to Total
1.	Think more about the positive side	184	61
2.	Think more about the negative side	116	39
3.	Seek more information about the positive side	162	54
4.	Seek more information about the negative side	138	46

(Source: Survey Data) n = 300

show that 61 per cent of the respondents reported that they will think about the positive aspect of the product, when dissatisfied with products. Only 39 per cent of the respondents were of the opinion that they would think more about the negative aspects of the product, when they experienced dissonance. Additional search for information about positive side has been reported by 54 per cent of the respondents. The rest of the respondents reported that they would seek information about the negative aspects of the product/brand.

9. Dissonance Reduction Behaviour - Social Class-wise

Social class-wise analysis (refer Table 9.14) indicate that thinking about the positive side of the product is maximum among the lower classes (71 per cent) followed by the upper class (67 per cent) and the upper middle class (65 per cent). Majority of the lower middle class think more about the negative side of the product (52 per cent).

The upper middle and lower class consumers seek additional information about the product while the upper class and lower middle class do not depend on search for additional information as a method of dissonance reduction. Fifty five per cent of the respondents in the upper middle class and 65 per cent of the respondents in the lower class reported that they would search for additional information, while 54 per cent of the upper and 52 per

Table 9.14

Customer Response When Dissatisfied With Products -
Social class-wise

Sl. No.	Social class Response	U		UM		LM		L	
		f	%	f	%	f	%	f	%
1.	Think more about the positive side	53	67	42	55	29	48	60	71
2.	Think more about the negative side	26	33	34	45	32	52	24	29
	Total	79	100	76	100	61	100	84	100
3.	Seek more information about the positive side	36	46	42	55	29	48	55	65
4.	Seek more information about the negative side	43	54	34	45	32	52	29	35
	Total	79	100	76	100	61	100	84	100

Source: Survey Data n = 300 (U=79; UM=76; LM=61; L=84)

cent of the lower middle class do seek additional information in order to reduce dissonance.

To sum up, more of the lower middle class think and seek information about the negative side than the positive side of the product.

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CHAPTER X
SUMMARY OF FINDINGS

One of the main objectives of the study was to verify whether social class is a more reliable determinant of consumer behaviour than income classification. In order to segment the sample respondents into various social classes, a social class index was developed based on expert opinion. Hence the first part of the study is devoted for developing social class index for social stratification.

The other objectives of the study pertain to consumer behaviour with respect to the purchase of selected consumer durables. Specific hypotheses have been developed in relation to the process and persons involved in need identification, purchase motives, information sources used by consumers, structure of decision making unit, reference group influences on consumers, characteristics of opinion leaders and innovators and behaviour of consumers with respect to reducing perceived risk and post-purchase dissonance.

A sample survey was undertaken among 300 households selected from different districts in Kerala based on judgmental sampling. The data were analysed using appropriate statistical techniques.

FINDINGS

1. Relevance of social class in consumer behaviour

One of the objectives of the study was to identify whether social class of the consumers is a more reliable indicator of consumer behaviour than income. Regression analysis based on possession of durables as well as social class and income as independent variables indicate that social class has relatively more influence in consumption of durables than income. The relationship between the possession of durables and level of education of the head of the family was not, however, established. Based on the index developed, consumers covered by the household survey have been grouped into four classes: upper class, upper middle class, lower middle class and lower class.

2. Need Identification for Consumer Durables

The predominant need identifier for consumer durables is the male head of the household. The need identifiers for various categories of products, however, differ. For instance, with regard to kitchen appliances the need identifier in most of the families is the wife.

For entertainment items the dominant need identifiers are children, particularly male children. The husband is the major need identifier with regard to vehicles. In the case of furniture and cleaning devices, it is the wife who plays the role of problem recognition. Product-wise analysis of need identification further

indicates that need identification is done for different products by different family members.

Social class-wise analysis relating to need identification for consumer durables indicates that the male head of household is the prominent need identifier among families in all classes except the upper class. Among upper class families the female head of household is the prominent need identifier.

1.3. Occasion for Need Identification

With regard to the occasion for need identification of consumer durables, the occasions considered were dissatisfaction with present solution, replacement for old products, change in financial status, change in life cycle, novelty and construction of new house. The most important occasion for need identification is dissatisfaction with existing solution to satisfy needs. The next in importance is change in financial status. Product category-wise analysis also indicates that dissatisfaction with the present solution is the most significant occasion, except in the case of entertainment items where change in financial status and novelty create occasions for need identification. There is no significant variation among the different social classes with regard to occasion for need identification, although there are variations in relation to individual products.

1.4. Purchase Motives for Consumer Durables

The most important purchase motive for consumer durables relates to the satisfaction of social needs. Apparently, these

products are purchased not because they have become very essential for the family. Product category-wise analysis and social class-wise analysis also lead to the same conclusion.

.5. Sources of Information

Analysis of the sources of information actually used for consumer durables reveals that friends are the most important source of information. This is true in the case of all the categories of products, except furniture and cleaning systems where the commercial sources have been used more than the personal sources. Further analysis, however, shows that more commercial sources of information have been used by upper and upper middle classes, whereas personal sources have been relied on more by lower middle and lower class consumers.

With regard to the preference for commercial versus personal sources of information, preferences for personal sources is true for all categories except furniture and cleaning devices where both personal and commercial sources have almost equal preferences, while preference for personal sources are more among the lower classes and it is relatively less among the upper class families.

.6. Media Exposure

Media exposure is very high among the respondents with respect to all the media considered, i.e., television, radio, magazine and newspaper. However, with regard to the frequency of

exposure to advertisements in different media, wide variations exist. Television advertisements have the maximum exposure while radio advertisements the least.

7. Product and Brand Decisions

For majority of the durable products under study, the husband is the key product decision-maker. Data relating to individual versus joint product decisions reveal that when all consumer durables are considered, individual decisions are more frequent than joint decisions. The data do not support the hypothesis that product decisions for consumer durables are joint decisions by family members. However, product category-wise analysis reveals that there are variations. While the wife is the major decision-maker for kitchen appliances, husband is the dominant decision-maker for entertainment items and vehicles. Joint decision-making is quite high with regard to furniture and cleaning devices. In the upper, upper middle and lower classes, the major product decision-maker is the husband, while in the lower middle class joint decisions between husband and wife are more frequent.

The family member who takes the brand decision most often is the male head of household. Joint decision by husband, wife and children is next in frequency. In contrast to the product decision-making situations, it is noted that the involvement of the parents is relatively less in brand decisions for all relevant products by all the families. Data reveal that the more frequent situation is that of joint decisions than of individual decisions,

though the difference is not much. Further, the involvement of children in brand decisions is quite significant.

8. Conflict and Compromises in Family Decision-Making

Conflict arises among family members most often with regard to the brand selection. More frequently it is the husband and children who get involved in the conflict and the wife acts as the mediator. Discussion among the family members is the most frequently adopted conflict resolution method. Additional information search is usually undertaken for the purpose of conflict resolution.

9. Buyer for Consumer Durables

The purchaser role, in the purchase of consumer durables, is taken by both the husband and the wife. Among the various product categories, the husband does the shopping for entertainment items, while in other product categories it is the husband and wife together who perform the shopping.

10. Social Influences on Durable Purchase

Social group influences in the purchase decisions with regard to consumer durables are very significant. The reference groups influencing purchases include friends, relatives and other small groups. Consultation with personal sources while purchasing durables have been reported by almost all the consumers. This indicates high level of social influence in the purchase of durables. This was evident among all social classes.

Relating to product attributes, data reveal that while

colleagues are the most depended sources for consultation on details of brands and models, relatives are the most trusted sources for price discussion. Similarly, neighbours are consulted with respect to performance. Relatives are asked about quality. Friends are consulted more for the selection of stores.

.1.11. Opinion Leadership and Innovativeness

Opinion leadership relates well with education, occupation and income but not with age.

Innovativeness is inversely related to age. The level of income is directly related to the level of innovativeness. The relationship between occupation and innovativeness is also evident.

.1.12. Risk Reduction Behaviour

Consumers rely heavily on brand image in order to reduce perceived risk. Buying brands satisfactory to friends and neighbours is the second important risk reduction behaviour. The upper class and upper middle class consumers resort to buying well-known brands in their effort to reduce risk, while more of the lower class consumers buy brands reported satisfactory by friends and neighbours. Buying brands which offer guarantee does not figure as a significant risk reduction method.

When a purchase is found risky the common strategy adopted is discussion with relevant others.

.1.13. Post Purchase Behaviour

The significant post purchase behaviour of consumers is that when dissatisfied with products, they reveal their

dissatisfaction to others. Consumers in the upper class and lower middle class reveal their dissatisfaction more than the lower class or lower middle class. The data further reveals that it is the upper middle class consumers who advise others not to purchase the product more than the other classes.

However, when the dissonance reduction behaviour is analysed it becomes evident that when dissatisfied with products, consumers think more about the positive aspects of the products in order to reduce dissonance. They also seek more information relating to the positive side. The different social classes, however, behave differently. Majority among the lower middle class think more about the negative side of the product, while others think more of the positive aspects. Further, additional information search as a method of dissonance reduction is adopted more by upper middle and lower class consumers.

1.14. Contribution by the Researcher

The findings of the study will be useful to manufacturers and marketers in the consumer durable sector. Since the study is the first of its kind of particular significance are the findings related to influencers and decision-makers of various products and the distinctions in this regard among different social classes.

More important, perhaps, is the contribution in terms of research methodology. The technique used for social stratification through development of social class index is unique. The application of perceived value rating technique, which is a more

precise and superior method, has never been attempted for social class stratification anywhere so far. The technique could be used for a precise determination of social classes in any society, perhaps, with appropriate changes, particularly in relation to the variables considered.

APPENDIX I

RESEARCH SCHEDULE FOR EXPERT SURVEY

1. To what extent each of the following factors influence the social standing of the person?. Indicate the importance of each factor by assigning weightage to each. The maximum weightage is 100 points.

Sl. No.	Factors	Total Score 100
1	Income and Wealth	
2	Source of Income	
3	Education	
4	Occupation	
5	Caste	

2. In order to rank the following educational levels, based on the perceived social standing of the people who have those qualifications assign weightage to each level. The maximum weightage is 100 points.

Sl. No.	Education	Total Score 100
1	Ph.D	
2	Professional Degree	
3	Post Graduation	
4	Degree	
5	Matriculate	
6	Pre-Matriculation	
7	Literate	
8	Illiterate	

Assign weightage to the 10 castes mentioned below on the basis of the social prestige/importance generally associated with these castes. The maximum weightage is 100 points.

Sl. No.	Castes	Total Score (100)
1	Brahmins	
2	Kshathria and Others	
3	Vairs	
4	Ezhavas	
5	Viswakarma	
6	SC and ST	
7	Syrian Christian	
8	Latin Christian	
9	Protestants	
10	Muslims	

4. Mention the annual income limits of the following social classes (assuming that the Kerala society can be divided into the following six social classes) and the weights associated with each income level.

Classes	Lower Income Limit	Upper Income Li	Score
Upper Upper	Brahmins		
Lower Upper	Kshathria and Others		
Upper Middle	Vairs		
Lower Middle	Ezhavas		
Upper Lower	Viswakarma		
Lower Lower	SC and ST		

5. In order to assess the social positions of the people in various occupation give weightage to each occupation. The maximum weightage is 100 points.

Sl. No.	Occupation	Total Score 100	Sl. No.	Castes	Total Score 100
1	Classe/Offices(Govt.)		21	Chemist	
2	Doctor		22	Planter	
3	Engineer		23	Librarian	
4	Manager		24	Technical Assistant	
5	Lawyer		25	Ticket Examiner	
6	Professor		26	Stenographer	
7	Lecturer		27	Farmer	
8	Research Officer		28	Typist	
9	Defence Service Officer		29	Clerk	
10	Head Master		30	Fitter	
11	School Teacher		31	Plant Worker	
12	Bank Officer		32	Nurse	
13	Officer in Govt.		33	Welder	
14	Business Proprietor		34	Ex-Serviceman	
15	Forman		35	Attendar	
16	Auditor		36	Fisherman	
17	Pvt. Company Executive		37	Manual Labourer	
18	Office Superintendent		38	Sweeper	
19	Production Superintendent		39	Agricultural Labourer	
20	Post Master		40	Working Abroad	

6. Assign weightage to the following sources of income/wealth on the basis of the social importance generally associated with these sources of income/ wealth. The maximum weightage is 100 points.

Sl. No.	Sources of Income	Weightage
1	Inherited Wealth	
2	Acquired Wealth	
3	Profit	
4	Salary	
5	Wages	

APPENDIX II

RESEARCH SCHEDULE FOR HOUSEHOLD SURVEY

1. Socio-Economic Data

A.1 Details about Family Members

SL.No.	Family Members	Relation-ship with HHM	Age	Education	Occ/ Enga-	Nature of organisa-tion	Design-ation in	Monthly income from pro-fession
1	HHM							
2	HHF Sons/ Daughters							
3	1							
4	2							
5	3							
6	4							
7	5							
	Other							
8	6							
9	7							

2. Which are the Consumer durables the family posses? Mention the chronological order in which these products were purchased by the family.

SL.NO	Products	Products purchased from abroad	Gift	Order of purchase 1 to	Brand purchased
1	Refrigerator				
2	Pressure cooker				
3	Mixie				
4	T.V.Colour/B&W				
5	VCR/VCP				
6	Radio				
7	Two-in-one				
8	Car				
9	Motor Cycle				
10	Bicycle etc				
11	Washing Machine				
12	Vacuum cleaner				
13	Foam bed				
14	Settee or other Costl Furniture				

3. Who in the family first suggested the purchase of the various consumer durables? (Indicate by a Tick mark) always a joint decision

Products (1-14)	Refrigerator	Cooker	Mixie	T.V.	VCR/VCP	Radio	2-in-1	Car	M-cycle/Scooter	Bicycle	WM	VC	Foam bed	Settee
Family Members														
HHH														
HHF														
Daughter														
Son														
Others														

4. On what occasion was the need for the product identified?

Products Occasions	Fridge	Cooker	Mixie	T.V.	VCR/VCP	Radio	2-in-1	Car	M cycle/Scooter	Bicycle	WM	VC	Foam bed	Settee
1) Dissatisfaction with the present solution														
2) Replace old product														
3) Change in life Cycle stage (including a marriage)														
4) Change in financial status														
5) New product (Novelty)														
6) New House														
7) Social Events (specify)														
8) Bought from Abroad														

5. Let the main respondents state whether the following statements are True or False with regard to each consumer durable (put an 'X' mark if the statement is false and an ' ' if the statement is true).

Products/ Statement	Refrigerator	Cooker	Mixer	T.V.	VCR/ VCR	Radio	2-in-1 Scooter	Car	M cycle	Bicycle	NH	VC	Foam bed	Settee
1) The product has become a very essential item for a family														
2) Most people in our social group consider it very essential														
3) Most people in our social group have it														
4) People buy it when they see others have bought it														
5) Most people in our social group feel that it is bad not to have it														
6) The male head of household was more keen to purchase it than other family members														
7) The female head of household was more keen to purchase it than others														
8) Grown up children in the family were more keen on purchasing it than others														
9) Most of our family friends have it														
10) Most of our relatives have it														

6. Which of the following sources were consulted before the purchase of the products? If more than one were consulted for a product rank the sources in the order of importance

Products/ sources	Fridge	Cooker	Mixie	T.V.	VCR/ VCP	Radio	2-in-1 Scooter/M	Car	M cycle	Cycle	NH	VC	Foam bed	Settee
1) Friends														
2) Neighbours														
3) Relatives														
4) Colleagues														
5) Shopkeepers														
6) Salesperson														
7) Advertisements														

7. What type of risk was perceived prior to purchase?

Products Risk	Fridge	Cooker	Mixie	T.V.	VCR	Radio	2-in-1 Scooter/M	Car	M cycle	Cycle	NH	VC	Foam bed	Settee
1) Financial														
2) Social/ psychological														
3) Physical														
4) Performance														

9. Mention your store visits with regard to the purchase of consumer durables

Products/ Behaviour	Fridge	Cooker	Mixie	T.V.	VCR/ VCP	Radio	2-in-1 Scooter	Car	M cycle	Bicycle	WH	VC	Foam bed	Settee
1) No. of stores visited prior to purchase														
2) No. of visits to the store from where purchased														
3) No. of brands examined														
4) Seriously consulted the dealer														

9. When you feel risk in purchase of consumer durables, which if the following course do you follow most (Mention only one).

1. Buy well-known brand
2. Buy brands found satisfactory by friends, neighbours etc.
3. Buy brands offering maximum guarantee
4. Buy the most highly priced elaborate model
5. Buy the most advertised

10. If you feel that a certain purchase is risky what is your course of action?

Sl.No.	Extent Discuss with	Definitely	sometimes	Not at all
1.	Spouse			
2.	Children			
3.	Friends			
4.	Opinion leader			

11. a) Specify the media exposure of family members
(Tick the appropriate media)

TV Radio Magazine Newspapers

b) Do you read or watch advertisements in the media ?

YES NO

c) If yes, specify:

Media	Often	Sometimes	Once in a while
TV			
Newspapers			
Magazines			
Radio			

d) Do you consider media advertisements as sources of information?

YES NO

e) If yes, rank the following media in the order of their importance as sources of information

Sl.NO.	Media	Rank
1	TV	
2	Newspapers	
3	Magazines	
4	Radio	

12. a) While purchasing durables, do you discuss with friends, neighbours, or any other?

YES NO

b) If yes, specify:

SL.NO.	Source	Degree of Discussion		
		Always	Often	Sometimes
1	Friends			
	Neighbours			
3	Colleagues			
4	Relatives			
5	Others (specify)			

12. c) What aspects do you discuss with friends, etc.

If more than one aspect is discussed, rank the aspects from 1 to 5, one for the most important)

SL.NO.	Source	Brand	Model	Price	Performance	Quality	Store
1	Friends						
2	Neighbours						
3	Colleagues						
4	Relatives						
5	Others (specify)						

13. Which was the most important source of information in the purchase of the following durables:

SL.NO.	Products Source	Fridge	Mixie	T.V.	VCR	Radio	Car	M cycle	Cycle (Scooter/M)	WM	WC	Foam bed	Settee
1	Friends												
2	Relatives												
3	Neighbours												
4	Colleagues												
5	Advertisements												
6	Dealers												
7	Salesmen												

14. Who in the family took the major decision in the purchase of the product and the brand?

SL.NO.	Products Decision makers	Fridge	Mixie	T.V.	VCR	Radio	Car	M cycle	Cycle (Scooter/M)	WM	WC	Foam bed	Settee
A-PRODUCT Decision													
1	Husband												
2	Wife												
3	Children												
4	Husband & wife												
5	Husband and Children												
6	Wife and Children												
7	Husband, wife and children												
8	Other(specify)												
B-BRAND Decision													
1	Husband												
2	Wife												
3	Children												
4	Husband & wife												
5	Husband and Children												
6	Wife and Children												
7	Husband, wife and children												
8	Other(specify)												

15. Who went to the store and purchased product?

SL.NO.	Products	Refrigerator	Mixer	T.V.	VCR/VCD	Radio	Car	M cycle/Scooter	Bicycle	WM	VC	Foam bed	Settee
1	Husband												
2	Wife												
3	Children												
4	Husband & wife												
5	Husband and Children												
6	Wife and Children												
7	Husband, wife and children												
8	Other (specify)												

16. a) Can you identify any conflicting situations among family members on any aspect of the purchase?

Yes No

b) If yes, mention the product.....

c) If yes, specify the details of the conflict

SL.NO	Particulars	Details		
1)	Aspect of conflict	Whether to purchase	Budget	
		Quality	Brand	store
2)	Who suggested the purchase	Husband	wife	children
3)	Who opposed the purchase	Husband	wife	children
4)	Outcome of conflict	purchased	Not purchased	
5)	Method of conflict resolution	Discussion	Arbitrary decision	
		Mediation		
6)	Was new information sought	Yes	No	
7)	If mediation who was the mediator	Husband	wife	children

17. i) Are you dissatisfied with any of the durables that you have purchased?

Yes No

ii) If yes, specify the products:

1) T.V. 2) 3) 4)

iii) If dissatisfied, how do you react?

(Identify the normal response from the two alternatives for each of these aspects)

1 (a) Think more of the positive side

(b) Think more about the negative aspect

XXX

- 2 (a) Talk more of the positive side
- (b) Talk more about the negative aspect
- 3 (a) Seek more information about positive aspect
- (b) Seek more information about the negative aspect

16. a) After purchasing a new product, do you discuss about the product with friends, neighbours etc.?

Yes No

b) Do any of the following group seek your advice on consumer durables you possess?

Yes No

c) If yes, specify:

SL.NO.	Category	Details of brands	Details T.V. of models	Price	Perfor- mance	Quality	store
1)	Friends						
2)	Relatives						
3)	Neighbours						
4)	Colleagues						
5)	Other(specify)						

d) If you are dissatisfied with a product/brand that you purchased, how do you communicate about it to people outside your family?
(Identify the normal reaction)

- 1) Do not say anything about the purchase
- 2) Reveal that the product/brand is not satisfactory
- 3) Advise others not purchase it

19. Opinion Leadership Scale

1) In general, do you like to talk about consumer durable with your friends?

Yes No

2) Would you say you give little information, an average amount of information or a great deal of information about consumer durables to your friends?

1) You give very little information

2) you give an average amount of information

3) You give a great deal of information

3) During the past six months, have you told anyone about some of the durables possessed by you?

No Yes

4) Compared with your circle of friends, are you less likely, about as likely or more likely to be asked for advice about consumer durables possessed by you?

1. Less likely to be asked

2. About as likely to be asked

3. More likely to be asked

5) If you and your friends were to discuss about durable, what part would you be most likely to play? Would you mainly listen to your friends's ideas or would you try to convince them of your ideas/

1. You mainly listen to your friend's ideas

2. You convince them of your ideas

6) Which of these happens more often/ Do you tell your friends about some the durables or do they tell you about some of the durables?

1. They tell you about some

2. You tell them about some

7) Do you have the feeling that you are generally regarded by your friends and neighbours as a good source of advice about durables?

No Yes

8) Mention the products about which you give information to others:

9) Respondents' Age.....Education.....Profession.....

10) Respondent's relationship with the head of the household.

20. Innovativeness Scale

1) Do you think you were one of the first few people in your social circle to purchase any new consumer d

No Yes

2) Would you say you were the first, one of the first few or one among the many who bought any new product:

1. One of the many
2. One of the first few
3. The very first

(Mention the products.....)

3) Were you the person, or one of the very first to purchase one or more durables?

1. No Durable
2. One durable
3. More than one durable

4) Had you seen the product being used by any family?

1. Had seen many others using it
2. Had seen few others using it
3. Had seen none using it

5) Where did you get the information about the product?

1. Friends, relatives etc.
2. Dealers/Salespersons
3. Advertisements/Literature

6) After you purchased the product, did you anyone seek information from you regarding the product?

1. None 2. Many
3. Some important people in society

7) Do you think you have more independent views on any issue than others?

1. Have very little independent views on any issue
2. Have Independent views on several issues
3. Have Independent views on most issues

8) How do you rate yourself compared to others with regard to taking risk?

1. Take very little risk
2. Take some risk
3. Take more risk

9) Respondents' Age..... Education..... Profession

10) Respondents' relationship with the head of the household

21. Personal Data

A. Total Monthly Income

A.1 Total monthly salary income of all employed persons Rs.6500/-

A.2 Income (monthly) from land Rs.-----

A.3 Income from other family business Rs.-----

A.4 Income from other assets Rs.-----

A.5 Does any family member works abroad? Yes No

A.6 Was any family member working abroad earlier? Yes No

A.7 If yes, mention the number of persons:-----

A.8 Mention the income from members working abroad Rs.

A.9 Total monthly income off family Rs.

B. Type of House

B.1 Whether the building is owned or rental?

Owned Rental

B.2 Type of building

B.3 Floor area-----

B.4 Type of flooring-----

B.5 Single storied or multistoried?

single double Multistoried

C. Location of House

Village Town suburb city

D. General Impression of social class

UN LU UN LM UL LI

E. Economic position

1. Has inherited wealth

2. Has acquired wealth

3. Has more income from wealth than job: yes No

F. Total Assets of the family would be worth approximately Rs. 1 lakh

G. Life-style (General impression) Grade

H. Religion-----

I. Caste-----

J. Ethnic Group

K. Name and address -----

of the key respondent;-----

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