Chapter 2

REVIEW OF LITERATURE, IDENTIFICATION OF RESEARCH PROBLEM, DEVELOPMENT OF HYPOTHESES

A Consumer Durable is a product that must be durable in use and must be expensive, relative to income. An item may be durable for a working class family and at the same time may not necessarily be durable for upper middle class consumer. However, there is hardly any argument for items like cars and refrigerators and there are not many marginal items. Durable purchases by and large are group decisions for the three reasons: one it involves the considerable outlay of the family; second the user of the person may not necessarily be the one who actually pays for it; and third it is bought for the use of several members of the family. However, in certain cases unilateral decisions for the buying of durable item are taken by one member of the household, but it is not common. The buying decisions of such items are generally unique and irrevocable. These decisions are not taken frequently, rather taken very rarely, perhaps once and twice in one’s life. The buying decisions of durables are by and large group decisions; complex ones; and more concentrated amongst the upper-income groups. The durable goods are mass-produced in anticipation to consumers’ demand and involve huge capital cost (Downham and Treasure, 1956).

Various researchers have conducted research on some parts of the topic that this researcher has taken up for this study.

Research has been conducted on the consumer durable industry, behaviour of specific segments in respect of consumer durables, comparison of urban and rural behaviour in respect of consumer durables, behaviour in specific cities in respect of consumer durables, rural consumer behaviour in respect of durables, generic buying decisions, behaviour in of specific sub – categories of consumer durables, rural marketing strategies for durables, etc.

However it is pertinent to note that the topic of research selected by this researcher has not been researched adequately and very few references on the same could be found in existing literature on the same. This researcher has looked at the topic very specifically keeping in mind factors which impact behaviour at the Introduction, Influencing and Decision Making
stages of the Buying Decision Process and also factors impacting the choice of retail formats, specific stores, factors impacting brand choice in the pre-store and in-store stages and impact of income as a factor in choosing a distribution channel format for purchase. It is also pertinent to note that this study was conducted in the Delhi NCR (National Capital Region) where similar studies have not yet been conducted to the best of this researcher’s knowledge and belief.

*Saylor* (Saylor URL: [http://www.saylor.org/courses/bus203 Saylor.org](http://www.saylor.org/courses/bus203 Saylor.org)) has discussed at length about the Buying Decision Process and the stages therein. He confirms the five stages present in the same, namely

1. Need Recognition,
2. Information Search,
3. Product Evaluation,
4. Product Choice and Purchase, and
5. Post Purchase Use and Evaluation.

A similar model has been given by *Kotler Keller, Koshy and Jha* (*Kotler Keller, Koshy and Jha, Marketing Management, 14th edition – A South Asian Perspective, 2013*) who name the stages as

1. Problem Recognition,
2. Information Search,
3. Evaluation of Alternatives,
4. Purchase Decision and
5. Post Purchase Behaviour.

( Saylor URL: [http://www.saylor.org/courses/bus203 Saylor.org](http://www.saylor.org/courses/bus203 Saylor.org) ) discusses this in detail, expanding the stages as follows:

**Stage 1. Need Recognition**

Perhaps you’re planning to backpack around the country after you graduate, but you don’t have a particularly good backpack. Marketers often try to stimulate consumers into realizing they have a need for a product. Do you think it’s a coincidence that Gatorade, Powerade, and
other beverage makers locate their machines in gymnasiums so you see them after a long, tiring workout? Previews at movie theaters are another example. How many times have you have heard about a movie and had no interest in it—until you saw the preview? Afterward, you felt like had to see it.

**Stage 2. Search for Information**

Maybe you have owned several backpacks and know what you like and don’t like about them. Or, there might be a particular brand that you’ve purchased in the past that you liked and want to purchase in the future. This is a great position for the company that owns the brand to be in—something firms strive for. Why? Because it often means you will limit your search and simply buy their brand again.

If what you already know about backpacks doesn’t provide you with enough information, you’ll probably continue to gather information from various sources. Frequently people ask friends, family, and neighbors about their experiences with products. Magazines such as *Consumer Reports* or *Backpacker Magazine* might also help you.

Internet shopping sites such as Amazon.com have become a common source of information about products. Epinions.com is an example of consumer-generated review site. The site offers product ratings, buying tips, and price information. Amazon.com also offers product reviews written by consumers. People prefer “independent” sources such as this when they are looking for product information. However, they also often consult nonneutral sources of information, such as advertisements, brochures, company Web sites, and salespeople.

**Stage 3. Product Evaluation**

Obviously, there are hundreds of different backpacks available to choose from. It’s not possible for you to examine all of them. (In fact, good salespeople and marketing professionals know that providing you with too many choices can be so overwhelming, you might not buy anything at all.) Consequently, you develop what’s called evaluative criteria to help you narrow down your choices.
**Evaluative criteria** are certain characteristics that are important to you such as the price of the backpack, the size, the number of compartments, and color. Some of these characteristics are more important than others. For example, the size of the backpack and the price might be more important to you than the color—unless, say, the color is hot pink and you hate pink. Marketing professionals want to convince you that the evaluative criteria you are considering reflect the strengths of their products. For example, you might not have thought about the weight or durability of the backpack you want to buy. However, a backpack manufacturer such as Osprey might remind you through magazine ads, packaging information, and its Web site that you should pay attention to these features—features that happen to be key selling points of its backpacks.

**Stage 4. Product Choice and Purchase**

Stage 4 is the point at which you decide what backpack to purchase. However, in addition to the backpack, you are probably also making other decisions at this stage, including where and how to purchase the backpack and on what terms. Maybe the backpack was cheaper at one store than another, but the salesperson there was rude. Or maybe you decide to order online because you’re too busy to go to the mall. Other decisions, particularly those related to big ticket items, are made at this point. If you’re buying a high-definition television, you might look for a store that will offer you credit or a warranty.

**Stage 5. Post- Purchase Use and Evaluation**

At this point in the process you decide whether the backpack you purchased is everything it was cracked up to be. Hopefully it is. If it’s not, you’re likely to suffer what’s called **post purchase dissonance**. You might call it *buyer’s remorse*. You want to feel good about your purchase, but you don’t. You begin to wonder whether you should have waited to get a better price, purchased something else, or gathered more information first. Consumers commonly feel this way, which is a problem for sellers. If you don’t feel good about what you’ve purchased from them, you might return the item and never purchase anything from them again. Or, worse yet, you might tell everyone you know how bad the product was.

Companies do various things to try to prevent buyer’s remorse. For smaller items, they might offer a money back guarantee. Or, they might encourage their salespeople to tell you what a
great purchase you made. How many times have you heard a salesperson say, “That outfit looks so great on you!”? For larger items, companies might offer a warranty, along with instruction booklets, and a toll-free troubleshooting line to call. Or they might have a salesperson call you to see if you need help with product.

**Stage 6. Disposal of the Product**

There was a time when neither manufacturers nor consumers thought much about how products got disposed of, so long as people bought them. But that’s changed. How products are being disposed is becoming extremely important to consumers and society in general. Computers and batteries, which leech chemicals into landfills, are a huge problem. Consumers don’t want to degrade the environment if they don’t have to, and companies are becoming more aware of the fact.

“Rasna” actually started this trend in India long back, in the 1980s, when we bought the concentrate and prepared the beverage at home. Today, companies offer “refill packs” to save costs as well as contribute towards the environment. Most grocery stores now sell cloth bags which consumers can re-use instead of continually using and discarding of new plastic or polythene / HDPE bags.

Other companies are less concerned about conservation than they are about **planned obsolescence**. Planned obsolescence is a deliberate effort by companies to make their products obsolete, or unusable, after a period of time. The goal is to improve a company’s sales by reducing the amount of time between the repeat purchases consumers make of products. When a software developer introduces a new version of product, older versions of it are usually designed to be incompatible with it. For example, not all the formatting features are the same in Microsoft Word 2003 and 2007. Sometimes documents do not translate properly when opened in the newer version. Consequently, you will be more inclined to upgrade to the new version so you can open all Word documents you receive.

Products that are disposable are another way in which firms have managed to reduce the amount of time between purchases. Disposable lighters are an example. Do you know anyone today that owns a non-disposable lighter? Believe it or not, prior to the 1960s, scarcely anyone could have imagined using a cheap disposable lighter. There are many more
It is interesting to note that he has added a 6th dimension or stage here which is Product Disposal.

Kotler Keller, Koshy and Jha have added another model to determine the steps between Evaluation of Alternatives and the Purchase Decision which can be reproduced as below:

(Kotler Keller, Koshy and Jha (Kotler Keller, Koshy and Jha, Marketing Management, 14th edition – A South Asian Perspective, 2013 page 150)

**Figure 3 – Kotler et al’s model of Evaluation of Alternatives**

Kotler Keller, Koshy and Jha argue that two general factors can intervene in between the purchase intention and the purchase decision. The first factor is the attitude of others. The influence of another person’s attitude depends on two things, (1) the intensity of the other
persons negative attitude towards our preferred alternative and (2) our motivation to comply with the other person’s wishes. The more intense the other person’s negativism and the closer the person is to us, the more will adjust our purchase intention. The converse is also true.

Similar models have been given by Tapan Panda (Marketing Management, Excel Books 2nd edition) and V.S. Ramaswami and S. Namkumari (Marketing Management – 4th edition, 2010, Macmillan Publishers). While Panda sticks to the 5 stage model, Ramswami and Namkumari advocate a 8 stage model of the decision making process:

Figure 4 – Ramswami and Namkumari – Decision Making Process

They have also identified the roles of the Initiator, Influencer, Decider, Payer and User and discussed the same.

D P S Verma and Sheetal Kapoor (IIMB Management Review, Volume 15, Number 4 Article by D P S Verma and Sheetal Kapoor December, 2003) state that Knowledge
about buyer behaviour is necessary for the development of effective marketing strategies. The members of a family influence the decision-making process in the purchase of different products, therefore the real target for the marketer is not an individual member but the family as a whole. While there have been several studies on family dynamics in decision-making, very few pertain particularly to the Indian context, where the traditional family is different from its Western counterpart in that the ‘empty nest’ stage of the family life cycle is not very common. A large number of Indian families still have three generations staying together.

A marketer has to compete not only with other brands in his product category but also with different product categories. This becomes even more significant when the family is considered as a unit where the needs of several members have to be met from the limited funds. It is then important for the marketer to understand the intra-family dynamics and interpersonal relationships at play in the purchase of a consumer durable product in order to decide the optimal marketing-mix.

In seeking to examine the family buying process and to identify the roles played by different family members, D P S Verma and Sheetal Kapoor surveyed 313 families living in Delhi, who had purchased one of six durable consumer products in recent years. Five roles (namely, the initiator, the influencer, the decider, the buyer and the user) played by family members were examined for the study. While the young, well-educated women in the family emerged significantly as initiators of the buying decision and students and children among the influencers, and the purchase decision process was relatively democratic at the initial stages, subsequently it seemed to become much more unilateral in terms of the role played by the decider-member. The husband was found to play the highly significant roles of coordinator, decider and buyer.

Yoram Wind and Frederick Webster (http://www.provenmodels.com/550/six-buying-roles/frederick-e--webster--yoram-wind) developed the 'buying centre' concept in order to structure large scale sales in complex corporate environments. In the early 1980's, Thomas Bonoma expanded their original list of five roles with the role of initiator. The concept then classified six buying roles for members of the organisation in the purchasing process. In a firm, a purchase depends on the person making the purchase decision as well as on the many employees concerned with improving the effectiveness and development of the operations
who want to exert influence. A buying centre makes joint purchase decisions as an informal group. Its task consists of information acquisition, search processes, the development of choice criteria and decision making among alternatives.

The buying centre has three principal aspects:

1. *composition*: the size, hierarchical levels and functional areas involved;
2. *influence*: those individuals with the most influence in the buying process;
3. *roles*: the identification of different roles played by buying centre members.

A buying centre includes all members of the purchasing organisation who play any of six roles in the purchase process:

a) **INITIATOR** first identifies the need to buy a particular product or service to solve an organisational problem;
b) **INFLUENCER** (their) views influence the buying centre's buyers and deciders;
c) **DECIDER** ultimately approves all or any part of the entire buying decision -- whether to buy, what to buy, how to buy, and where to buy;
d) **BUYER** holds the formal authority to select the supplier and to arrange terms of condition;
e) **USER** consumes or uses the product or service;
f) **GATEKEEPER** controls information or access or both, to decision makers and influencers.
Eva Polya, in her study on “Purchase Decision making and Roles Within the Family” (Doctoral Thesis submitted to Szent István University Gödöllő Management and Business Administration Doctoral School) submits that Family as a primary decision making unit of society have a significant role in purchase decision making processes of individuals. It has a significant role in consumer socialization and in the process how children become consumers. (Lehota 2001) It is a frame, within what children learn to behave as consumers, acquire all competencies concerning to purchase and consumption, and hence become competent to other consumers. Change of children’s role within the family is in the air in the last period, and this has an effect on purchase decision making processes within the family.

Children became more and more equal within the family, and in most of the cases has wider knowledge as their parents do, so their role especially in the case of competency decision has
significantly grown. They become consumers-purchasers much earlier as they did a few decades earlier. (Törocsik 2007) Nevertheless we should not forget that always parents play a primary role in the process how children become and develop to consumers, they facilitate their children to appear in the market as a potential buyer and decision maker by financially funding them. Lowest border of consumption generation is dilated: even kindergarten generation appears as an independent purchaser and self-conscious consumer. Hence the size of children market is growing rapidly; consumer behavior of adults is a direct antecedent of children’s consumer behavior. (McNeal 2007) Relations within the family are changing in point of purchase decision processes: families live in a freer, more liberal spirit, hence role of different family members changed in this process. Children gained a greater voice in purchase processes, but also role of men and women has changed in this process. It is more and more characteristic that spouses make decisions commonly, both party take part in purchase what used to be typically the competence of wives or husbands. Over time close emotional boundaries are evolved among family members and this influences the decision making process and its output. Hence purchase decisions have serious emotional implication, and emotional strategies used by different family members have an effect on other emotional aspects of family life.

Jagwinder Singh, in his paper titled “A Comparison Of Rural And Urban Buying Of Consumer Durables “ (Global Journal of Management and Business Research Volume 11 Issue 5 Version 1.0 April 2011 Type: Double Blind Peer Reviewed International Research Journal Publisher: Global Journals Inc. (USA) Print ISSN: 0975-5853 ) says that India is one of the fastest growing markets of the world. The potential not only lies in the urban India but in the rural India also. His study was carried out to differentiate the buying behaviour of rural households from that of urban households. He had chosen three durable goods from three different product categories; Television (entertainment product), Refrigerator (home appliance), and an Automobile (two wheeler, motorcycle and car/jeep) have been selected for the study. As per his study, overall no significant differences could be observed between rural and urban consumers in terms of their; timing of purchase, buying the same brand of other durable, number of items, and duration of planning before buying. He states that Habitat (rural or urban) has a relation with income for the timing of buying a television, refrigerator, and automobile except in case of buying of an automobile on festive / special occasion, where the income had no relation with habitat. According to him, There is a relation between habitat
and income in terms of duration of planning for different time periods before the buying of a
television and refrigerator. The habitat also reveals association with income in terms of
planning for months before buying an automobile. He did not observe any association
between habitat and income in case of planning for few days, few weeks and years before
buying an automobile.

K. Marichamy, in his paper titled “Study on Consumer Behaviour of Women with
special reference to durable goods in Madurai City“ (Tactful Management Research
Journal, Vol. 2, Issue. 2, Nov 2013, ISSN:2319-7943) states Indian is a country with
varied resources and people are more prone to use variety of products for their consumption.
The process of consumption in the post liberalized era has started dominating the consumer
community particularly the women segment. There are numerous products available in the
market for the consumption and this situation has created a consumerist society. The multiple
products with similar utility have created a competitive situation in the market. People at one
side are not able to decide what to buy and on the other side they remain faithful to some
products in particular. Thus, consumer behavior is one of the most important topics to be
studied. The liberalization and global operation of businesses have given an opportunity to
the customers/consumers to select one out of various similar products available in the
market. The global trend in the market has affected the consumer's behavior to a great extent,
whether it is a case of seller operating in international, regional, local level or a case of
consumers involved in purchasing consumable/industrial products. Due to globalization of
business and liberalized policies of the government the auto industry has witnessed a major
selling prospect. Many multinational companies have entered to fray, turning the market
place into a virtual battlefield.

Marichamy further goes on to say that today consumers have many options and are much
better equipped with information to choose from these available options. The consumer now
exhibits a totally different behavior what they used to do in a regulated market. In the present
context, the consumers get many information at hand due to the information revolution.
Media (electronic and print), TV, Radio and satellite communication have made easy to
consumers to choose the best products available in the market for their use. The marketers
have to play a key role in attracting the potential buyers in favor of their products. The buying
decision varies as per the information available with the women consumer before buying a
particular product. Information available through Internet with the help of cable TV has created a new dimension in making decision before the buying any product. Thus, the decision of buyers depends a lot on the information available with the buyers. All the purchases made by a family follow a certain decision making process.

His study has focused on women’s behaviour, and he states that the character and the extent of interaction between a husband and wife present an extremely important dimension in the decision making process. No sale can be effective unless a favorable decision is made by a buyer towards a particular product of a company. The dynamics of purchase decision making of husband/wife for different consumer non-durables, include, “wife-only”, “the wife more than the husband”, “both the husband and the wife exactly the same”, “the husband more than the wife”, “the husband only” pattern. A very important aspect of the purchase process is the actual activity of making, the purchase, who actually goes shopping are something that reveals the aspects of consumer behavior. Today the Indian urban women is an active pattern in the family. She is the major factor in all purchase decisions of her family. (This is also borne out in our study). She has acquired a place in the society by virtue of her education and employment. Indian manufacturers realized the need of her patronage and hence communicate with her and try to convince her through every possible media. They plan the marketing strategy to attract this segment, satisfy the needs and retain them.

He concludes by saying that in this research study, the consumer behavior was analyzed in respect of their purchase of durable goods in Madurai city. Madurai city one of the biggest districts of Tamilnadu with varied demographic population, culture, religion and employment. There are many show rooms and dealers dealing with variety of consumer durable products who compete with each other for sale. This city is considered to the hub for consumer durables for Tamilnadu and hence companies try to sell the consumer durables both to retailers and ultimate consumers through their creative marketing practices. The most important segment for consumer durables is women flocks that is large in number and have varied taste and preferences.

Thus the consumer behavior to the consumer durables changes from time to time owing to their preferences in the available products in the market. The middle class house wife is a cautious buyer. Women are not averse to change and therefore willing to try new products,
but does not adopt any product instantly. The women consumers possess a good degree of awareness of the change taking place in their environment. Women grew in education level and the growth in the media has contributed to their development. Women are not only cost conscious but also a quality conscious buyer. The sales promotional activities sometimes may help women consumers to purchase more but it cannot remain same. Thus, creating and enhancing consumers is one of the most important aspects of companies and the companies must always aim at the same. Selling durable goods is not an easy joke and that too to women consumers and hence companies must make and adopt new methodology to create and retain customers in the competitive environment. The producers of durable products should understand consumer interest much to find increase the sale of their products. The study concludes that the competitive market provides opportunity on one hand and threats on the other hand to both the consumer segment of women and products of the product. It is quite important to improve core product with value addition to enrich customer satisfaction more in the similar price range. Not only quality improvements but improvement in after sales service can develop and replace demand for consumer durables as well as for replacement of the products. The dealers / producers and the retailers must understand the importance of the consumers and their change attitude in the process of marketing. Only then the companies can withstand and survive in the sale of consumer durables.

Prof. Yuvraj L Lahoti and Dr. Alfred S.J. Jacob in their study titled “A Study of Indian Rural Buying Behaviour for Selected Consumer Durables” (International Journal of Scientific & Engineering Research, Volume 4, Issue 7, July-2013 ISSN 2229-5518) discuss that the success of brand and product in India is unpredictable because with vast rural market and consumers, it is difficult to guess the consumer behavior. Consumer behavior is centre of the modern marketing, understanding his behaviour is quite essential for efficient and effective marketing management. Customers may state their needs, wants but act otherwise. They may not be in touch with their deeper motivations. India’s consumer market is riding the crest of the country’s economic boom. Driven by a young population with access to disposable incomes and easy finance options, the consumer market has been throwing up staggering figures. Marketing problem enhancing from the consumers’ behaviour has a greater degree of similarity behavioral problems relating to the consumer durables. The study was chosen to identify and ascertain the extent of problems of consumer behaviour have an impact on the marketing of consumer durables in the fast growing and a green belt of Satara
District in Maharashtra. The consumer behaviour in relating to consumer durables is strongly affected by some economic, social, cultural and psychological factors; the present research has been selected for an intensive empirical survey of the various factors influencing the buyer’s behaviour on consumer durables in Satara District of Maharashtra State. They found that Rural consumers have typical buying behavior where they prefer to associate with reference group for purchasing high involvement products.

The researchers state that the success of a brand in the Indian rural market is as unpredictable as rain. It has always been difficult to gauge the rural market. Many brands, which should have been successful, have failed miserably. More often than not, people attribute rural market success to luck. Therefore, Marketers need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern looking at the challenges and the opportunities which rural markets offer to the marketers it can be said that the future is very promising for those who can understand the dynamics of rural markets and exploit them to their best advantage. A radical change in attitudes of marketers towards the vibrant and burgeoning rural markets is called for, so they can successfully impress on the 230 million rural consumers spread over approximately six hundred thousand villages in rural India. To understand the rural market dynamics it became necessary to study the behavior of the rural population hence the study is undertaken.

The researchers conclude that common Factors influencing consumer purchase decisions: Indian Rural consumer is exposed to a Culture with limited exposure, low achievement motivation, less active, more unrealistic, not much believe in material comfort, and not having much sense of individualism. The Indian rural Social Classes are mostly based on income levels. The reference groups differ as per the income levels. Most of the rural consumer has membership of primary reference group including, family friends and co-workers. The aspiration group for most rural consumers is urban elites. The dissociation group is the urban slum dwellers.

In a rural family for material comfort products; husband and his parents are dominating and influential. Rural Indian consumers in this selected area has a typical buying behavior where they prefer to associate with reference group for purchase of high involvement products like television and air conditioner and thus shows complex buying behaviour.
Bhagaban Das, Sangeeta Mohanty and Nikhil Shil in their study titled “Categorizing Consumers’ Buying Behavior: A Factor Analysis in Consumer Durable Market“ (International Journal of Business and Management, September 2008) state that in today’s competitive scenario, business organizations in India are most worried about the future uncertainty. An increasing number of market planners are finding that growing complexity and uncertainty of the environment are difficult to cope up. Behavioral dimension added new complexity to marketing people. Still, there is no other alternative but to face this situation. Organizations are continuously facing new equations in their operating environment in every direction (Bettis & Hitt, 1995). Complex competitive status, vulnerable demand forecast, varying consumer preference, existence of too many brands, changing attitude of channel intermediaries, shortening of the product lifecycle, (Hammer, 1997) are making marketing decisions extremely difficult and risky. Residential areas in metros, mini metros, cities, towns and small towns are growing at faster rate. Industrialization, infrastructure development, and extension of areas under amusement and entertainment are creating huge scope for further market growth. Social developments of community and upcoming upper middle class with increasing purchasing power have marked this field as an area of additional complicacies and uncertainties. As a result, the TV market has been an ideal selection for strategic analysis. In view of the growing importance and market (Porter, 1980) it is proposed to carry out a study covering factors affecting the consumer buying behavior for television. Although the consumer durables sector does not count among the core sectors of the economy, it is immensely significant being a near precise indicator of the nation's economic well-being, especially as a pointer to the distribution of prosperity among different income segments. Excluding computers and communications products, the annual market share for consumer durables in India is currently valued at Rs.25,000 crore.

Their study is specific towards televisions. Accordingly they go on to say that Consumers' buying behavior is divergent and situational. For durable products, such behavior got different dimensions again. To make the study simple and informative, color television is used to represent the consumer durable markets. Television, as a product, is getting the status of essential commodity all over the world. The potential of TV market is indeed quite enormous. The Indian consumers were indifferent in choosing the brand since a lot of close substitutes were available in the market. However, they have changed ever since the India liberalized its economy. Choosing the right brand of television is difficult enough when there
were half a dozen brands and all of these claimed to give excellent picture quality. Marketing managers are interested not only in the product but also the behavior of the consumers because it gives them the right orientations for product development and positioning. The level of consumer's satisfaction provides the scope for repeated purchases and brand loyalty that lead to optimum profitability. This research finds that consumers' perception on buying color television is mostly affected by the factors, such as, structural add-ons, words of mouth, technical features, durability, ground reality etc.

They conclude that every day, consumers and households make decisions about the goods and the services they purchase. The factors that influence this buying decision are commonly price, quality, advertisement, recommendation from near and dears etc. This research work finds that the consumers’ perception on buying color television is mostly affected by the factors such as “structural add-ons, Word of mouth, Technical features, Durability and Ground reality.”

The above results have far reaching implications for the Television marketers, dealers and advertising agencies as it gives insight into the minds of consumers and how they view their televisions. There are many dimensions associated with Television and their usage which need to be explored and understood.

**Aluregowda**, in his study on “**Consumer Behaviour Towards Refrigerators in Mysore City**“ (International Journal of Research in Commerce, IT and Management - VOLUME NO. 3 (2013), ISSUE NO. 11 (NOVEMBER) ISSN 2231-5756) has focused on Consumer Behaviour vis – a vis only one product which is refrigerators. According to the researcher, generally purchase television for entertainment later consumers purchase refrigerator to home. The second order of buying a household appliance is refrigerator. Refrigerator is a value item with technical content. There are more number of manufactures are promoting the refrigerators products to market. Today buyers purchasing refrigerators based on the size, color, quality, price, brand image, deign, model of the brand available. Therefore manufacturers are promoting using different strategies to build brand image and goodwill. The length of the product life cycle is short in household appliances like television, refrigerator, washing machine etc due to technology. The improve of technology increase the expectations of the customers and more number of alternatives in the market. The dealers’
loyalty plays a major role to selling refrigerators products and added value to the products. Most of the manufactures are diversified their products to meet the all classes of the customers. People are smarter spending financially towards household appliances and more demanding for fewer prices. People found more uses to purchase refrigerator products begin with preserving food items, vegetables and other things. Nowadays refrigerators are available for different purposes and preserve different things. The usage of refrigerator varies from domestic usage and business. Hence refrigerators are necessary for all sectors of users but buying behavior of consumers differs from place to place and people to people.

He has concluded from his study that the main criteria to purchase to refrigerator is quality and after sales services. Less consumption of electricity is major suggestions from the respondents. Dealers’ loyalty more influence on the purchase of refrigerator product in retail outlet. Competition results more design, model and color of the refrigerators influence the buying behavior of the consumers. Consumers want reasonable assurance regarding the technical perfection of the product and after sales service.

Michael C. Mayo and William J. Qualis have also conducted a similar research (Michael C. Mayo and William J. Qualls (1987), "Household Durable Goods Acquisition Behavior: a Longitudinal Study", in NA - Advances in Consumer Research Volume 14, eds. Melanie Wallendorf and Paul Anderson, Provo, UT : Association for Consumer Research, Pages: 463-467.) According to them, the acquisition and consumption of household durable goods continues to be a topic of interest among marketers and researchers. A review of the literature indicates the perspectives of economists (durable good forecasts), sociologists (household decision behavior), and psychologists (individual consumer behavior) have contributed to the body of knowledge regarding household durable goods behavior. Yet, as evidenced by the recent research grants awarded by Marketing Science Institute, issues regarding the consumption of household durables remain unanswered.

The current research in this area by consumer researchers can be classified into two types: 1) Descriptive analyses of planning processes and household types (Cox, Granbois, and Summers 1983, Corfman and Lehmann 1985) and 2) determination of acquisition and consumption patterns of household durable goods (Kasulis, Lusch, and Stafford 1979, Dickson, Lusch, and Wilkie 1983). While past research has produced useful conceptual
frameworks for addressing the issues discussed above, the methodologies employed have suffered from several serious limitations. For example, the shortcomings of the Guttman Scalogram analysis technique, employed in both the Kasulis et al. (1979) and Dickson et al. (1983) studies have been clearly addressed in the research literature (Clogg and Sawyer 1981). In addition, research to date has attempted to model household durable goods behavior as a static point in time based upon cross-sectional data (Cox, et al. 1983, Corfman and Lehmann 1985) instead of examining the phenomena for the same household from a longitudinal perspective.

They state that one outcome of research in this area has been the classification of households based on their durable goods ownership and/or purchase plans. Alderson (1957) refers to the process as household durable goods assortment management. It is based on the premise that all newly formed households start out with a "starting set" of durable goods acquired through gifts, purchases, lease/rentals, previous ownership, or as part of the initial home dwelling. Future durable goods acquisition and consumption becomes a function of this "starting set."

Newly formed households are seldom able to purchase the complete set of durable goods necessary to fully furnish and stock a household. Thus families (primarily husbands and wives) must decide on an order of purchase, and a decision plan regarding how these purchases will be made over time. The idea of an ordered sequence or priority pattern reflecting the process by which households acquire durable goods has received considerable attention from researchers (McFall 1969, Lusch, Stafford, and Kasulis 1978, Kasulis, Lusch, and Stafford 1979, Dickson, Lusch, and Wilkie 1983). Evidence from these studies supports the contention and demonstrates the existence of some underlying priority pattern or order in which household durable goods are purchased.

A study reported by McFall (1969) found an acquisition priority pattern for a set of "comfort" products (electric blanket, washing machine, room air conditioner, and dishwasher) from which it was concluded that a household which owns a dishwasher also owned the remaining three durable goods. A similar acquisition pattern of household "comfort" durable goods was found by Lusch et al. (1978) in a cross-sectional survey of over 1,800 households (washer, dryer, dishwasher, freezer, and microwave ovens). Both studies used the actual ownership of durables as the basis for determining acquisition patterns. While such studies established that there are indeed a common set of durable goods that are purchased by households, the
prediction of future acquisition behavior is poor due to the lack of consideration of future purchase priorities or changes in household circumstances.

The relationship between planned purchases and actual purchase behavior has always been tenuous at best. Dickson and Wilkie (1978) found that there were a large number of unfulfilled durable purchase plans (and purchases made with no plans) when compared to the households reporting purchase plans. One reason put forth by researchers to explain the lack of correlation between planned and unplanned purchase of durable goods has been changes in household circumstances. Pickering (1975) found that multiple reasons were often given, but household financial problems and changes in priorities were the most frequent reason given for households not following through with durable goods purchase intentions.

Beyond the "starting set," Granbois (1977) suggests that four reasons account for household durable good acquisition: 1) Maintenance Replacement, 2) Adjustment/Upgrading Replacement, 3) Additional Unit Expansion and 4) First Acquisition Expansion. More recently Cox et al. (1983) found that while such acquisition categories partially explain the variation in household durable purchase behavior (search, satisfaction, and payment method) the researchers were skeptical about interpreting its generalizability beyond the reported study.

They conclude by stating that households can be characterized by an ownership preference for basic household items and luxury entertainment goods. Conversely, by the end of the first stage of the Household Life Cycle (HLC), luxury comfort items were not heavily stocked by households (despite the high loading) and there is very little emphasis on the replacement of the family's first car.

Manmeet Kumar Siras has conducted research on a similar topic and his study is titled *Rural Marketing – Potentials and Strategies for Durables -A Study in Ghaziabad District* (International Journal of Trade and Commerce-IIARTC January-June 2012, Volume 1, No.1, pp. 60-69 ISSN-2277-5811 ). In his paper, he discusses the hypothesis that, there is a vast potential of marketing of durable goods in rural areas of the country which is increasing day by day. In India where about 70% population resides in the rural areas and nearly half of the national income is generated by the rural population, hence it become
necessary to understand the psyche of the rural population, their needs, aspirations and also their behavior to be success in the marketing in rural areas.

The villagers have accepted the modern way of agriculture as a business but also have accepted modern living. Apart from the food items, they are interested in buying durable products. This change in the attitude of rural consumers is sweeping across the countryside. The expanding rural market is important to growth of economic development of India. Rural markets have proved to be very attractive for corporate and the size of market is increasing year by year. The increased income/purchasing power of the rural consumer and the improved income distribution have enhanced rural demand for several products. With a population already in excess of one billion people, India has caught the eye of multinational corporations across the globe as a place of opportunity for exploring new markets. He states that the Indian rural market has a huge demand base and offers great opportunities to marketers. Two-thirds of Indian consumers live in rural areas and almost half of the national income is generated from here. The reasons for heading into the rural areas are fairly clear. The urban consumer durable market for products like colour TVs, washing machines, refrigerators and air conditioners is growing annually at between 7 per cent and 10 per cent. The rural market is zooming ahead at around 25 per cent annually. He quotes Venugopal Dhoot, chairman of the Rs 1900 -crore Videocon Appliances as saying that

"The rural market is growing faster than urban India now," . He further quotes Samsung’s director, marketing, Ravinder Zutshi as saying  "The urban market is a replacement and up gradation market today,"

He discusses the attitude of rural consumers towards durables. According to rural consumers the demand of these products is growing day by day continuously. But the demand for other products similar to these standard branded products is also very high because the prices of these products are very low in the comparison of standard branded products. That is why the customers are more inclined towards these products because the difference of the cost between these products sometime is 20% to 30%, meaning thereby these products are much cheaper than the original branded products.
These products do thrive in the rural market and it can ordinarily be found in village shops. Imitation products apart, these are also locally manufactured branded and unbranded products which are quite popular. These products also have sufficient demand in rural areas to sustain such manufacturers. These products are not only similar in their names, but in features and functions also, and so similar that it is very difficult to recognize it. Most of the rural consumers are of the view that if the supply of original products can be made proper and the prices and quality of these products can be made in accordance with the rural consumers then the demand of these products can be enhanced. The reason behind such a wide range of products sold in rural areas seems to be the heterogeneous nature of the rural market. The wide disparities in income level and the consequent life styles warrant such variety. Hence, there is reason enough for the manufacturers and marketing men to think in terms of products specifically designed or modified for the rural segment.

He has tried to identify “buying motives.” The author says that “Marketers have been using buying motives to handle the consumers. ‘Buying Motive’ provides the psychological justification for the acceptance of a product. This tool has proved a success with urban consumers. It is necessary for the marketer first to identify the psychological characteristics, which can act as the ‘Buying Motives’. Though the sources of information are many, it is likely that the consumers use the information from only one or two source for decision-making. Rural consumers are influenced by information received and opinions formed from various sources in making their buying decisions. The other sources in order of importance are -- opinions of family members, advice of friends and neighbors, and shopkeepers’ advice.

He says that it should be noted that advertisements have been considered as major influences in purchase decisions. This is borne out by our study as well, especially where this researcher had discussed the factors impacting in the introduction stage. In case of consumer durables, advice of friends and neighbors is found to be a major source, while family members, opinion leaders and shopkeepers are other important source influencing the buying decisions. Self experience is not a major influence, because consumer durables are not purchased repeatedly. Even in this case advertisements were an important influencing source.

He concludes by saying that his study on rural marketing should not give the impression that rural markets have not been exploited at all. Its purpose is only to highlight the growing
importance of rural markets in the fast changing economic situation. Already, substantial penetration has been made by the producers of most consumer goods. Though the cost of distribution and promotion is bound to be high and producers even may sustain losses in the initial stages, this should not deter them from entering the market the potentialities of the rural market are great indeed. With the changing economic conditions in the country, and with better purchasing power, among the rural population, the newly emerging rural markets are bound to yield rich dividends.

The author further suggests that “in rural marketing, the vast spectrum of courses to be followed require special care and attention with respect to the product, its quality, packaging, brand, pricing, advertisement, personal selling and channel of distribution. The strategy of rural marketing has to be appropriate appreciating fully the scattered character of rural markets, and the need for a different communication mix on account of the lower level of education and environmental differences. All this calls for concerted and co-coordinated action on the part of both the government and the industry. The government role lies primarily in developing the infrastructure, e.g. A good network of roads in the interiors of rural India, speedy arrangement for better light, water and irrigation facilities, financial and technical assistance in setting up the industries in villages, and distribution of their products. The government’s role will be equally important in conducting rural market surveys and compilation of vital statistics and their publication for the benefit of business and industry.

There certainly is a place for premium products, but consumers in rural market for those products are scattered and difficult to reach. Therefore, such products can be left to be bought from the nearest urban centre. The attraction of rural market is in their size as mass markets. Those who design products for such mass markets will prosper and grow rapidly.”

Additional literature has also been referred to in this study, a full list of which has been appended in the Bibliography.

As has already been stated hereina above, this researcher has looked at the topic very specifically keeping in mind factors which impact behaviour at the Introduction, Influencing and Decision Making stages of the Buying Decision Process and also factors impacting the choice of retail formats, specific stores, factors impacting brand choice in the pre- store and
in-store stages and impact of income as a factor in choosing a distribution channel format for purchase. It is also pertinent to note that this study was conducted in the Delhi NCR (National Capital Region) where similar studies have not yet been conducted to the best of this researcher’s knowledge and belief.

Looking at the literature available on the topic, there are parts of the topic which have been covered in different ways by others, however, there is very little available on all of the above factors together impacting buyer behavior. There have been few studies of the same in the NCR. It is also interesting to note that two of the biggest players in this sector, Samsung India and Whirlpool India have their manufacturing bases and offices in the NCR.

While researchers and text deal with these factors independently, there is a gap that is apparent when we try to link the buying decision process and the stages therein with the available literature and research on the topic. Hence this researcher decided to focus attention on the factors which impact the shopper behavior during the various stages of the buying decision process, as well as look at the factors that impact choice of format, criteria for selection of a particular store for purchase of a durable, and amongst others, does the Socio-Economic Class (SEC) of a shopper determine the choice of the channel format for the purchase of a consumer durable.

As stated, the topic selected for Research is “A Study of the Buying Decision Process with Reference to Select Consumer Durables”. Accordingly, and considering the literature available on the topic, this researcher has sought to define the Research Problem in the following manner:
**Table 5 – Research Problem**

<table>
<thead>
<tr>
<th>Component 1</th>
<th>Who or what determines the choice of a brand during the Introduction Stage of the Buying Decision Process?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 2</td>
<td>Who or What determines the choice of the brand during the Influencing Stage of the Buying Decision Process?</td>
</tr>
<tr>
<td>Component 3</td>
<td>Who or What determines the choice of the brand during the Decision Making Stage of the Buying Decision Process?</td>
</tr>
<tr>
<td>Component 4</td>
<td>What are the channel formats preferred by shoppers when purchasing a consumer durable?</td>
</tr>
<tr>
<td>Component 5</td>
<td>What are the criteria used by shoppers when selecting a particular store for purchase of consumer durables?</td>
</tr>
<tr>
<td>Component 6</td>
<td>What are the factors which impact a shopper’s choice of brand before going to the store and when inside the store (in – store)? Is there a possibility of a change of choice in these stages?</td>
</tr>
<tr>
<td>Component 7</td>
<td>Is Income the determining factor of the choice of format for purchase of consumer durables?</td>
</tr>
</tbody>
</table>
Considering the Research problem as formulated above, the objectives were laid down and are reproduced again for convenience.

**Objectives of the Study :**

1. To explore the factors which play a major role in the Introduction Stage of the Buying Decision Process in the purchase of Consumer Durables
2. To explore the factors which play a major role in the Influencing stage of the Buying Decision Process in the purchase of Consumer Durables
3. To explore the factors which play a major role in the Decision Making stage of the Buying Decision Process in the purchase of Consumer Durables
4. To study shopper preferences with regards to the channels preferred for purchase of consumer durables
5. To study the factors which influence a shopper’s decision to choose a particular store for purchase of consumer durables
6. To study the factors that impact a shoppers brand choice at Pre-Store and In-Store Stage of the Buying Decision Process
7. To study whether income is a determining factor in choosing a particular shopping format.

Considering the objectives laid down for the study, the following hypotheses were formulated.
**Table 6 – Hypotheses Statement**

<table>
<thead>
<tr>
<th>Number</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>H0 – 1A</td>
<td>There are no significant differences in the roles of different factors in the introduction stage of the buying decision process in the purchase of Home Appliances</td>
</tr>
<tr>
<td>1A</td>
<td>There are significant differences in the roles of different factors in the introduction stage in the buying decision process in the purchase of Home Appliances</td>
</tr>
<tr>
<td>H0- 1B</td>
<td>There are no significant differences in the roles of different factors in the introduction stage of the buying decision process in the purchase of Electronic Goods</td>
</tr>
<tr>
<td>H – 1B</td>
<td>There are significant differences in the roles of different factors in the introduction stage in the buying decision process in the purchase of Electronic Goods</td>
</tr>
<tr>
<td>H0- 2A</td>
<td>There are no significant differences in the roles of different factors in the influencing stage in the purchase of Electronic Goods</td>
</tr>
<tr>
<td>H – 2A</td>
<td>There are significant differences in the roles of different factors in the influencing stage of the Buying Decision process in the purchase of Home Appliances</td>
</tr>
<tr>
<td>H0- 2B</td>
<td>There are no significant differences in the roles of different factors in the roles of different factors in the influencing stage of the Buying Decision process stage in the purchase of Electronic Goods</td>
</tr>
<tr>
<td>H – 2B</td>
<td>There are significant differences in the roles of different factors in the influencing stage of the Buying Decision process in the purchase of Electronic Goods</td>
</tr>
<tr>
<td>H0 – 3A</td>
<td>There are no significant differences in the roles of different factors in the decision making stage of the Buying Decision process stage in the purchase of Home Appliances</td>
</tr>
<tr>
<td>H – 3A</td>
<td>There are significant differences in the roles of different factors in the decision making stage of the Buying Decision Process in the Purchase of Home Appliances</td>
</tr>
<tr>
<td>H0 – 3B</td>
<td>There are no significant differences in the roles of different factors in the decision making stage of the Buying Decision process stage in the purchase of Electronic Goods</td>
</tr>
<tr>
<td>H- 3 B</td>
<td>There are significant differences in the roles of different factors in the decision</td>
</tr>
<tr>
<td>Null Hypothesis (H0)</td>
<td>Alternative Hypothesis (H)</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>H0 - 4: There is no significant role of product categories in choosing a particular shopping format</td>
<td>H - 4: There is a significant role of product categories in choosing a particular shopping format</td>
</tr>
<tr>
<td>H0 - 5: There are no significant differences in the role played by different reasons in determining the choice of a store</td>
<td>H - 5: There are significant differences in the role played by different reasons in determining the choice of a store</td>
</tr>
<tr>
<td>H0 - 6: Shoppers do not largely change their brand choice at the Pre-Store and In-Store stage in the Buying Decision Process</td>
<td>H - 6: Shoppers show a tendency to change their Brand Choice at the Pre-Store and In-Store stage in the Buying Decision Process</td>
</tr>
<tr>
<td>H0 - 7: Different Income groups do not prefer different formats for purchase of Consumer durables</td>
<td>H - 7: Different Income groups prefer different formats for purchase of Consumer durables</td>
</tr>
</tbody>
</table>

The same are dealt with more particularly in the following chapters.