CHAPTER II
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2.1 Evolution of Consumer Information in Economic Thought

The classical model of economic man assumes a consumer who can state his preferences; who is consistent in his choice, and who is rational in his behaviour. Endowed with perfect knowledge of the market offering, this economic consumer is capable of maximizing his subjective utility function with mathematical precision, subject only to his budget constraint\(^1\). Frank Knight introduced risk and uncertainty into economic thinking\(^2\), and Von Neumann and Morgenstern formally incorporated\(^3\) these concepts into the theory of consumer behaviour. The consumer now maximizes not merely utility, but he maximizes "expected" utility\(^4\).

The probabilistic model of Von Neumann and Morgenstern clearly implies imperfect knowledge on the part of consumers. But Stigler treated information explicitly on cost in applying marginal analysis to the search process\(^5\). In his theory on the "Economics of Information", Stigler hypothesized that an individual will continue his information search as long as the incremental value gain per unit of search is greater than the marginal cost associated with it. The optimal information point is established when the marginal value of information equals the marginal cost of search. The consumer, in terms of lower prices and better quality from which he presumably obtains greater utility, assesses the value gained from each search effort. The cost of information is measured in time units, effort, and money associated with the search. Stigler's theory would predict, for example, an individual with high income would spend
less time and effort on information search than another with low income. Studies have shown that neither the high nor low income brackets will seek much information in buying durable products, but that the middle income groups are acquiring information most actively.

The Swedish economist, Staffan Linder, explains this seeming contradiction by noting that, with rising income, the number of consumption decisions increases too. High-income people have also greater demand on their scarce time. The combination of these simultaneous phenomena leads, Linder to the thesis of "a declining quality of decisions", which fits the high-income earners well. As regards the poor, "their low level of education means a low yield on time spent in the collection of information".

Economic thinking has come a long way from the early models of economic man, although some of the classical notions seem to persist. But with Stigler and Linder, the stage is set for a closer look at the role of information in the marketing literature.

2.2 The Role of Information in Marketing

To the extent that marketing originated from economics, it suffered from unrealistic assumptions on the classical economic theory. Over the years, the study of marketing has been variously approached from institutional, commodity, functional and managerial standpoint.

More recently, the social approach to marketing has developed in which theories of group behaviours and interaction are used to explain markets and market behaviour. Today, marketing is considered to be an
eclectic discipline, borrowing freely from many fields such as psychology, social psychology, sociology and anthropology. The purpose is to explore phenomena to understand and predict behaviours in market. The consumer’s search for evaluation and use of information has become an integral area of inquiry within the study of consumer behaviour and marketing.

2.3 Buyer Behaviour Models

The aspects of search and use of consumer information are often treated as part of complex buyer behaviour or decision-making models. Howard¹⁰ made the first articulate attempt to associate human behaviour with the buying process. He viewed buying as a process of learning. In choosing products and brand, an individual tends to rely strongly on his experience, (i.e. on what he has learned) but due to dynamically changing environment, the individual is required to continuously adapt his behaviour to these environmental changes by engaging in new learning. Depending on his experience, a buyer is positioned in various phases of the learning curve.

Accordingly, he engages in extensive problem solving, limited problem solving, or automatic response behaviour. In each of these progressive phases, there exists a gradually increasing amount of experience (i.e. stored prior learning) which is coupled with a declining amount of information seeking, that is, in any given purchase situation, the greater the experience with the particular products, the less will be the importance attached to outside sources of information such as advertising, discussion with friends and shopping guides.
2.3.1 Nicosia Decision Model

Nicosia's decision model includes a greater number of variables, and it is considerably more complex than that of Howard\textsuperscript{11}. The exposure of an individual to an informational cue (e.g. an advertising message) may induce him to form certain attitudes. Search and the evaluation of means-ends relationships may motivate him to make the eventual purchase decision. In the process, consumers "attributes" are transformed from predisposition, to attitudes, to motivations. The transformation occurs through a combination of messages from various information sources, environmental situation and experience.

2.3.2 Engel's Purchasing Decision Model

Engel's purchasing decision model is quite similar to Nicosia's model and includes stages for the search and evaluation of alternatives (i.e. information seeking). At each stage of the process, the consumer is faced with a new decision, and he makes these decisions in the light of information which he passively receives or actively seeks, and which he then compares with his internal information (i.e. experience). The entire decision process takes place in what Engel calls the "central control unit"\textsuperscript{12}. These models are intended to explain certain key aspects of buyer behaviour. For the researcher, behaviour models may serve as a guide for research design and analysis. For the marketing manager, such models can provide a predictive analytical tool for a more effective mix of product, distribution and communication strategies.
2.4 Market Information

Marketing implications of consumer behaviour models are abound. Conclusions are drawn from the analytical framework provided by these models, such as how people arrive at purchase decisions, how they react to a new product or advertising message. For example, management's desire to predict and measure the effectiveness of the firm's communications mix has always been a continuous problem.

Lavidge and Steiner proposed much a model for the predictive measurement of advertising effectiveness. They postulated that potential buyers must first be made aware of the existence of a product. During the decision process the individual moves from awareness to the ultimate purchase of the product along cognitive, affective and conative dimension of behaviour. They hypothesized that each step of the decision process requires different kinds of information and that advertising, which helps move people through the decision stages, can be designed accordingly to be either information or to induce attitude changes, or to directly stimulate desires for a particular product. One major purpose of their model was to predict and measure advertising effectiveness at each stage of the process, a procedure which they claimed was superior to the conventional advertising-sales measure.

The general concept of a "hierarchy of effects" as suggested by Lavidge and many authors have refined Steiner. Copland visualized the decision stages in terms of increasing purchase probabilities. But as a tool for measuring advertising effectiveness, Palda criticized the
'hierarchy of effects' as suggested by Lavidge and Steiner and asked whether it is "... really more difficult and expensive to investigate the direct link between advertising expenditures and sales than it is to undertake research into each step of the hierarchy-even if the existence of a hierarchy were actually established". In another study by the same author, he had developed a model for measuring the cumulative effects of advertising based on multiple regression analysis.

Communication is the process of transmitting information. From the managerial viewpoint, communications directed at consumers are designed in terms of promotional strategies, target markets, goals and objectives and budgets. It appears that much of the communication literature in marketing is written from the firm's standpoint, in that the implications are managerially oriented towards increased profitability and sales. The studies on advertising effectiveness are no exception. Their purpose is to aid management in the structuring of more effective communications and promotional mixes in order to increase a company's market share. The consumer's informational needs are not of their concern. For the purpose of this dissertation, one must look at some studies, which are concerned with the problem of information from the consumer viewpoint.

In studies concerning the use and usefulness of consumer information, the experimental approach has been widely employed. For example, Anderson and others reported experiments on the relationship between product proliferation and information value. They found, first, that as the number of brands in a purchase decision increases, the consumer becomes less aware of and less sensitive to changes in any of the brands involved in the decision. Secondly, they found that with the
increasing number of brands, the information for each item appeared to decline. They concluded that:... as the number of choices increases, the purchase decision becomes more difficult. That is, the added advantage of new sources of information for a purchase decision is outweighed by the disadvantages of added time and effort involved in the decision\textsuperscript{20}.

This conclusion seems to support Stigler's theory\textsuperscript{21}. The results from the Anderson experiments also suggest that increased amounts of information may only be part of the solution to the consumer problem. The study indicates that "... as the consumer makes purchase decisions in the situations where there is a large number of choices, he experiences a considerable degree of anxiety, discomfort... \textsuperscript{22}" At the same time, the post-purchase dissonance was greater, the greater the number of possible choices from alternative brands. The frustrations resulting from the market complexity, which was stimulated, in the experiment through an increasing number of brands from which subjects were forced to choose could not be alleviated fully by providing new information on these brands.

2.5 Risk and the Bayesian Approach

Edwards reported several experiments that dealt with acquisition and use of information. He attempted to compare the 'real with ideal' performance as based on the Bayesian decision model and found that the subjects tended to show a "qualitative correspondence" with the Bayesian model\textsuperscript{23}. Paul Green conducted experiments in which he also related, "information buying" to the Bayesian model\textsuperscript{24}. He found that the subjects were sensitive to differences in prior probabilities, but their behaviour was relatively insensitive to differences in information
reliability and pay-offs. When there was no conflict between prior and sample information, subjects consistently chose in accordance with the Bayesian model. The experimental results of both Edwards and Green would seem to indicate that too much information can be as dysfunctional as too little information.

Closely related to Bayesian approach is Bauer's view of the product choice process as a risk-taking situation where the consumer can obtain information at a cost in order to reduce his perceived risk of making a wrong decision. The higher the degree of perceived risk, the greater the likelihood of additional pre-purchase information search, and more the consumer is willing to expend in money, time and effort for additional information. Similarly, Green's experiments indicated that consumers tend to relate the cost of securing additional information to the weighted value of reducing the perceived cost of uncertainty.

2.6 The Nature of Information Sources

Many authors have studied the effect of the nature of the source of information on consumer behaviour. Wilding and Bauer reported an experiment to test favourableness of attitude towards a communication source as related to personality variables.

Engel and others have studied the influence of information on the adoption of new 'self medication' products and they reported that the degree of influence depend on the seriousness of the ailment. The television advertisements and discussion with friends were important sources of information at the bottom of their 'sickness scale' where minor ailments were involved.
Hempel conducted experimental studies of the effect of different types of information sources on consumer product evaluation\textsuperscript{29}. Using two different brand shirts, he divided his subjects into a group, which expressed a preference for one brand name, and the second group preferring the other brand. He then presented each group with two divergent communications, (a) one message confirming prior preferences and (b) another message conflicting with it, from each of two information sources—consumer reports and a recorded sales talk. The members of each group, who were administered any two of the four possible ‘message-information source’ combinations, were randomly selected. From the resulting data, Hempel concluded that when both the messages confirmed the preferred brand, neither information source showed a significantly greater influence on the decision outcome. When one or both communications conflicted with prior brand preference, Consumer Reports appeared to have stronger effect on product choice than the recorded sales talk. Apparently, consumers tend to evaluate a piece of information not only by its content but also by the truth worthiness of its source.

There were several pieces of evidence available to support the possibility of distinctive search patterns. Kelman and Cohler suggested that cognitive needs and styles let to ‘clarifiers’ and ‘simplifiers’\textsuperscript{30}. Mueller noted that their findings seemed to indicate ‘feature substitution’—through attention to some aspects of deliberation and limited attention to others\textsuperscript{31}. Dommermuth found differences in search pattern by comparing numbers of store visit with number of brands considered\textsuperscript{32}. At the individual buyer level, Cox reports clear differences in shopping patterns\textsuperscript{33}. 
The study by Newmann and Staelin presents research findings which help to answer many questions such as how many sources of information do consumer consult before they buy? Do the sources vary in number and kind? What part does advertising play in the purchase decision process? The study, reported here, covered automobiles and six major appliances. The automobile and appliance data were analyzed separately and in the aggregate, by a multivariate technique as well as by frequency tables. Forty four percent of the buyers reported using only one type of source or none. Another forty four per cent used either two or three types of sources while twelve per cent used four or more. The findings for both automobiles and appliances were very similar. Some variation in number of sources was observed according to the type used. The number tended to be lower when source use included friends and neighbors and retail stores than when it included advertising or books, pamphlets and articles. The study did indicate, however that uses of different sources were positively inter-correlated. Use of each type of source was positively correlated with the use of each other type, as would be expected of measurements of the same construct. The highest correlation (0.44) was for advertising and books, pamphlets and articles, showing that users of advertising tend to seek out information in printed matter. The other correlations ranged from 0.108 to 0.235.

Newmann and Staelin also measured why some buyers use no more than one type of source, while others used several. To find out this, they used Automatic Interaction Detector (AID) computer programme to learn which of the 29 selected factors were most useful for segmenting the sample. The programme sequentially produced binary splits of the respondents based on the combinations of levels of the independent
variable, which minimized the within group sum of squares. The technique also detects interaction between variables.

One implication of the AID results was that consumers consider search cost and in many cases do not feel it worthwhile to contact several kinds of sources. Another implication of the findings was that consumer who presumably has the greatest need to use limited funds efficiently – i.e., households of lower education and income levels- are likely to seek and use information. Yet another finding of this study supports Bauer’s view\(^\text{36}\) that consumers are not passive receipients of commercial messages, but that they exercise initiative.

On the whole, Newmann and Staelin presented new empirical evidence of the use of information sources by users of consumer’s durables. The findings disputed charges that advertisers monopolise the distribution of information and also claims that advertising supplies most of the information, people want before buying.

Comprehensive models of consumer behaviour have suggested that a consumers’ past information is an important input into his brand choice\(^\text{37, 38, 39}\). These variables are generally thought to be one of the several key variables that intervene between a decision-maker’s perceptions and his subsequent brand selection. Thus, knowledge of consumer’s past information can help marketers influence brand choice.

Robert B. Woodruff in his article presented research focusing on the problems of measuring a consumer’s past information about brand attributes\(^\text{40}\). A procedure for assessing consumer’s prior brand information was discussed and observations were made with a sample of
husbands and wives. Finally, suggestions were offered for improvement of the assessment procedure. The finding suggested that a consumer's prior information could be segregated by brands and attributes. However, separating prior information by attributes, requires that the assessment procedure allow a consumer to consider prior information about each brand's attributes separately, since his information about each brand or attributes is likely to be different. It was also suggested that measurement of consumer's prior information could be used effectively for basic research on business-consumer communication process. He also stated some examples of questions, guiding such research like: (a) which sources of information generally have the greatest impact on consumer groups of interest?, (b) what impacts do different kinds of appeals generally have on consumer brand decisions?, and (c) which information sources are most effective for each kind of appeal?41.

The research conducted by John D. Clasten and others, employed numerical taxonomic analysis as a method for summarizing the ways in which shoppers gather information in purchasing durable goods—specifically furniture and appliances42. In this study, taxonomic numerical analysis proved to be useful for classifying buyer pre-purchase shopping behaviour. The primary purpose of the study was to analyse measures of pre-purchase search with a view to identifying patterns of information gathering and to assess the factors associated with differences in these patterns. Data for the study were obtained from personal interviews with 546 housewives. Questions dealing with five aspects of pre-purchase shopping activities were included in the questionnaire. They are type and range of alternatives considered, information source used, features considered, stores visited and time spent considering the purchase. These questions, of course, included in the earlier shopping behaviour studies
conducted by Katona and Mueller\textsuperscript{43}, and Newmann and Staelin\textsuperscript{44}. They concluded that three general clusters were identified in both furniture and appliance sample and were labelled – through (store intense), thorough (balanced) and non-thorough on the basis of group average measures in the discriminating variables. Within these groupings, sub-clusters varying in deliberation time were identified.

About five percent of qualifying furniture buyers were placed in the through (store intense) grouping. Their outstanding characteristics was making use of an average of twenty percent store visits in the purchasing process as compared with eight percent or less visits in other groups. The thorough (store intense) group also used more information sources (an average of more than three) and spent a longer time considering the purchase (almost an year). Forty four percent of the furniture buyers fell into second group-thorough (balanced). On the average, they consulted about three information sources, visited six stores and spent several months considering the purchase. Non-thorough buyers made up about thirty-four percent of furniture sample. On the average, they consulted only one source of information, two stores and deliberated on their purchase for only a few weeks.

In the sample of appliance buyers, about eight per cent were in thorough (store intense) grouping, and twenty-seven percent were in thorough (balanced) grouping. The lower number of information sources consulted by the store intense group as compared to the balance group may indicate a trade-off in mode of information gathering. The larger cluster was the non-thorough grouping, which took in about sixty-five percent of the appliance buyers. This basic grouping broke into three sub clusters, differentiated largely by deliberation time, again a pattern
similar to that observed in the furniture results. In all sub-clusters, an average of only about one source of information was used, accompanied by only one store visit. The results by Claxton and others illuminate different approaches to the shopping task as identified by Katona and Mueller and Newmann and Staelin.

Newman and Staelin in another study used one more multivariate technique viz., Multiple Classification Analysis (MCA), dummy variable regression programme for examining the inter-relationship between independent variables and a dependent variable within the context of an additive model. West Brook and Fornell, in their study, indicate that major appliance buyers can be classified according to distinctive patterns of pre-purchase information source usage, which are understandable in terms of various explanatory variables. The variability in source usage noted by Newmann and Staelin and the broad, overall pattern of search by Claxton and others together suggested that distinctive patterns of source usage may characterize buyers of durable goods.

Some individuals may prefer to limit their pre-purchase search to certain kinds of sources, whereas others may choose to consult a wider variety of sources. The identification of such pattern would contribute to an improved understanding of the process of external pre-purchase information search. Because of this, Westbrook and Fornell to determine whether patterns of information source usage could be identified and related to selected explanatory variables undertook a study. The conceptual framework for the study provided three broad classes of variables, as potential determinants of information source usage patterns of durable goods buyers. They are (a) personal or background characteristics of consumers consisting of demographic descriptors such
as age, education, and occupation, as well as satisfaction with the previous buying and ownership experience, (b) situational factors at the time of purchase including such variables as economic constraints, condition of previously purchased product (if any) and special opportunities to buy advantageously and (c) characteristics of consumer's purchase decision process consisting of internal factors such as size of the evoked set of brands, evaluative criteria, specific self confidence etc.

Data for the study were obtained by means of a telephone survey of major household appliances. Information source usage was determined by aided recall survey question, about the following pre-purchase activities viz., (1) visits to different retail outlets, (2) reading habits of books, pamphlets, magazine, newspapers and (3) seeking advice or opinion of friends, neighbors or relatives. These activities were termed as retail, neutral and personal sources of information respectively as mentioned by Newmann and Staelin. The findings of the study indicate that major appliance buyers can be classified according to distinctive patterns of pre-purchase information source usage, which are understandable in terms of various explanatory variables. Classification was based on the identification of two underlying and independent dimensions of source usage: (1) extent of physical shopping and (2) use of neutral sources versus personal sources. The four segments, which emerged, were labelled objective shoppers, moderate shoppers, store intense shoppers and personal advice seekers. Age and education of the consumer, number of brands considered and working condition of a previously purchased product are related to segment membership. These results amplify the findings of Claxton and others and offer more detailed insight into the morphology of consumer external search behaviour.
2.7 Past Studies

The experimental studies reviewed have important implications for this study. They show that consumers confronted with alternatives, do perceive anxiety and may desire information in order to lower the risk of making a wrong decision. The greater the number of possible choices becomes, the more difficult is the decision, and the stronger may be the desire for additional information. Given additional information, consumers may, at some point, become prone to confusion instead of greater market transparency. The confusion arises, partly from the greater amount of information that they may have to process, and partly from the larger number of choices that may have to be made in a complex market environment. The limited time, which an individual consumer may be willing to devote to information search, can effectively reduce the informational input per decision as the number of alternatives increases. In such situations, consumers may revert back to simple forms of information, such as brand names and advertising.

Acquisition of information, active or passive, is a continuous process which can utilize many sources: experience, friends, retailers, quality seals, brand names, user’s manuals, advertising and product testing and ranking publications. The experiments indicate, however, that people are often limited in their capacity to digest all the available information to sort it out, and to make best use of it for selecting and comparing alternatives. Information is often confusing, conflicting or technically beyond the understanding of many. From these arguments it follows that, although, consumers may attempt to lessen uncertainty through information acquisition, more information per se may neither help to actually reduce perceived risk prior to a decision, nor lower post-
purchase dissonance in cases of high psychological commitment. As Green has concluded...it is somewhat surprising that information revolution in which we are supposedly participating, provides little guidance about how consumers and managers do (or should) use the vast array of information. The process by which people selectively acquire and use information would thus seem to be an important area of research. If the capabilities and goals of human processes are ignored, the information revolution could simply result in more occasions for confusing the decision maker by offering him greater quantities of ambiguous, redundant or incorrect information.

The studies on consumer information, reviewed, above, are subject to certain limitations. Due to their experimental nature, they may be lacking in "real world applicability." Whether the results of these experiments on information can be transferred to the true-to-life consumer world remains at least open to question.

2.8 Sources of Information's

Different authors under different groupings have discussed the various consumer information sources. According to Engel and others, information sources may be grouped as 1. Personal, 2. Market originating and 3. Consumer oriented information sources. The characteristic features of these sources and their implications to consumer are discussed now.
2.8.1 Personal Information Sources

Personal information source includes the consumer's own experience and activities and the experience of others. He gains access to the latter through his non-commercial, personal relationship. The consumer's own experience can be viewed as a result of learning over time\(^{54}\). It is a valuable guide in deciding on an often-purchased and used product. Where a new product is involved no learning may have taken place, yet. With seldom-acquired items such as major durables, prior experience is likely to be inadequate or a reliable information source.

Often the consumer can supplement his own experience with the experience of others. Discussion with friends, neighbours, and relatives is an important source of information for many consumers. As many studies have shown, personal sources often play a determining part in the outcome of a purchase decision.

The following are the findings of the studies relating to personal sources information\(^{55}\). (i) Almost 50 percent of male and female students discussed clothing brands, styles, retail outlets and prices with their friends\(^{56}\). (ii) A study of the diffusion of a new product in a married students' apartment complex revealed that exposure to favourable word-of-mouth was found to increase the probability of purchase, while exposure to unfavourable comments decreased the probability\(^{57}\). (iii) Another study found that the source of information most frequently consulted by durable goods buyers was friends and relatives. "... More than 50 per cent of the buyers turned for advice to acquaintances and in most instances also looked at durable goods owned by them. "Even more striking is the finding that one-third of durable goods buyers bought a
brand or model that they had seen at someone else's house, often the house of relatives. (iv) A study of consumer attitude towards health care found that largest segment of consumers state the most important reason for choosing their doctor was a recommendation by a friend or relative.

Other studies have also found personal communication source to be very important in the purchase of food items and cleaning agents, in motion picture selections, hairdo styles, makeup techniques, general fashion, dental product and service, farming practices, physicians, and man-made fabrics.

By gaining social approval before making a final decision, information search from personal sources can be viewed as risk reducing process. The difficulty of using the experience of others as information sources lies in the fact that people differ in their concepts about performance and the quality-price relationship. Friends, relatives and neighbors may lack adequate product knowledge and their personal circumstances may differ. Also quality standards, especially those of service, often do not remain constant over time, rendering personal sources of information not much reliable or useful than one's own experience. Where the advice of 'experts' is available, however, this personal source can serve as a valuable information input into the purchase decision. Studies have shown that 'experts' are more likely to be considered as opinion leaders within their sphere of influence.

In the words of Rogers, the individuals acquire their expertise, because opinion leaders use more impersonal, technical, accurate and cosmopolitan sources of information than their followers...
emanating from outside the social system are often but not necessarily, more technically accurate than one locality sources

Opinion leadership refers to the degree to which a person is able to influence informally other peoples' behaviour in a designed way. Opinion leaders are those persons who seem to possess an unusual degree of this ability. They can affect the behaviour of others toward products favourably or unfavourably. If they are satisfied with an idea or new product, they can almost assure its success. Opinion leadership is, however, informal leadership. Opinion leaders rarely go about attempting to control the actions of others. Rather, opinion leadership is subtle. Persons interacting with each other are not always aware that they are influencing or being influenced. Moreover, it is not necessary for persons to talk to others to influence their actions. However, the influence takes places verbally, visually, or both- it is nonetheless real. In extreme cases, it can make or break a firm’s product.

Opinion leaders can be located in the population by the sociometric or the self-designated techniques. Their influence is limited to one or a few related topics of interest about which they expose themselves to sources of information. Opinion leaders differ from non-leaders on a number of important dimensions and the former are more exposed to topic relevant mass media; they are more gregarious and more interested in the area of influence and they usually interact with persons of similar but slightly lower status.
2.8.2 Market Originating Information

The market itself contains a wealth of information that can serve the consumer in his decision-making. For instance, the design can critically influence a purchase decision, especially in matters of taste and aesthetic values. Thus, in the selection of such items like jewellery and furniture, appearance often plays a dominant role. In relying on visual inspection, appearance can be misleading. For example, packing often makes a product appear more desirable on the supermarket shelf than it actually is, once unpacked at home.

Quality grades are important clues intended to aid consumers evaluate products such as milk, oil, fruits and vegetables. Quality grades insure minimum quality and size as established by government or quality control institutes. If the quality gradations are too numerous and fine, however, they may be of little use to consumers. For instance, the quality grades in opticals, leather goods, precious stones etc., would definitely confuse a customer.

Brand names are pervasive throughout the market and offer cues to the consumer that can aid in his decision-process. In effect, brand names can become decision rules within the consumer’s choice process. Branded goods are supposed to exhibit a certain consistency in quality, quantity and performance. For instance, Ponds India Ltd. has effectively encashed its goodwill on brand name by introducing some premium soaps in the market. Where these characteristics are maintained, brand names enable the consumers to recognize goods, and to compare them with other known brands. Thus, the consumer can formulate his own notion of
expected satisfaction. Through repeated usage, the consumer learns which brand to choose and which ones to avoid.

The experience with branded goods can carry over to other product classes of some brands as well as to branded goods in general.

Linder relates brands to advertising "... as a means of making factual knowledge more accessible than otherwise ... to provide quasi information for people who lack the time to acquire the genuine insights. They get the surrogate information they want to have, in order to feel they are making the right decision."

He then concludes, "...Increasing reliance will be placed on "hidden persuaders" which are what consumers need to make quick decisions... brand loyalty must be built up among people who have no possibility of deciding how to act on objective grounds. As routine purchasing procedures gain in importance as a means of reducing decision making time, it will be increasingly important to capture those who have not yet developed their routines."

In this view, brand names become rules by which consumer can make routine decisions and thus reduce decision time. Widespread cognition of brand names is largely achieved through advertising.

Through inspection and comparison of quality and price in more stores, the consumer can acquire an overview of the market offering. Comparative shopping is limited only by the consumer's own willingness and ability to invest time and effort, relative to the increased expected
satisfaction to be derived from such activities.\textsuperscript{73} Also, the consumer can consult salesman at the retail establishment.

Salesmen at the retail establishment play an important role in high-involvement decision situations. People are used to seek advice from druggists on many aspects of health and drugs usage. In a study conducted by Claxton and Anderson, it was revealed that the new energy-use labelling programmers for major applications was found to be of little importance compared with the inputs of sales persons\textsuperscript{74} whether or not personal selling will have much impact comes from the nature of customer-salesman interaction. It may be interesting to note that a highly dependent consumer tends to be susceptible and hence prefers assistance by a sales person in decision-making, whereas, an independent person prefers a minimum of suggestion and assistance.\textsuperscript{75} The independent person, in fact, seems to respond more positively in aggressive selling.\textsuperscript{76}

As a source of objective information, retailer's advice cannot always be accepted neutrally and without prejudice, since the retailer is basically interested in selling. For example, overselling is a common practice among many retailers. Also with scores of new products, the retailer may lack precise knowledge and to the extent that this assumption is correct, he can no longer give reliable product information. Further, the advent of the supermarket, discounter, and other mass merchandise has greatly reduced this source of information due to the concomitant loss of personal relationship between the retailer and his customer.

The price of the product is also a most frequently used indicator for better quality and performance expectation and many purchase decisions are based on price consideration. The consumer's syndrome that
associates high quality and performance, which exist in the multitude of brands and products, price comparison as an information source can be difficult at best, misleading at worst. But Linder points out that "actual fact, it may be a very reasonable rule of thumb to equate price with quality." The mistakes made in this way may very well be less expensive than the efforts that would be required to avoid them by acquiring better information."

With the emergence and widespread acceptance of major newspapers, magazines, radio and television, the mass media have become one of the most ubiquitous and inescapable facts of a society. The mass media represent a powerful force, influencing and shaping the values, tastes and quality of life. Mass media can also be viewed more as reflecting the culture than as shaping it. To marketers, mass media provide the vehicle for advertising. Advertising is an essential ingredient in almost every marketing mix, represents a principal means for making products known to potential buyers, for keeping consumers informed and for persuading many consumers to buy.

Advertising and promotion constitute one of the most important and pervasive sources of information in the market place. From the manufacturer and retailer's view, the primary objective of advertising and promotion is the selling function. From the consumer's view, advertising and promotion serves the very useful function of acquainting and promotion serves the very useful function of acquainting him with the market review of what products and brands are available, what their prices are and where and when they can be purchased. The consumer's use of print media is for the most part, selective. A reader can pass
through a newspaper or a magazine, glancing at editorial material and advertising, skipping that which is of little interest and concentrating on what is deemed important.

Electronic media are more intrusive. The viewer cannot skip the commercial and go on to the programmer and so he is exposed to many commercials whether he wants or not. But the messages delivered by print media have a certain degree of permanence. To consumers who want to make decisions based on careful examinations of detailed information, advertising broadcast over the airwaves is apt to be unsatisfactory. If any important decision is to be made—especially an important decision that is over an extended period of time, the consumers can collect advertisement from different magazines or different newspapers and make comparisons among them.

The relative permanence of printed advertisements makes the consumers for repeat and "pass long" leadership. But the degree of repeat and pass long readership is much more difficult to measure and as a consequence, the aspect of print media advertising's influence is often ignored even though it may be very important.

Another difference between print and electronic media is that electronic media make it easy to appeal directly to children. Starting at about age two, children begin to pay some attention to television commercials and by the time they grow, they have already acquired a large amount of information about products they find interesting.
This information has two effects. The most direct and obvious effect is that it encourages children to ask their parents to buy special products especially toys and food items. Another subtle effect of exposure to television advertising is that it associates the brand name with a variety of appealing characters and pleasant experience.

In addition to its announcement, display and need arousal functions, advertisement serves to keep the brand name towards the front of the consumer's mind. Whether or not the advertisement can furnish a convincing demonstration or an attractive display, whether or not it can arouse and otherwise latent need, the repeated calling of the brand name to the consumers attention, gives the brand an advantage over an unknown brand when a choice must be made.

Primitive awareness must be an important function of advertising, especially advertising of established brands. So a major function of advertising must be to keep the brand name salient in the consumer's mind in spite of the consumer's tendency to forget and in the face of a continuous onslaught of competing messages.

As regards product, specific consumer information advertising has limitations. Advertising tends to take advantage of human weakness. To that extent in which this type of commercial communication is based on persuasion, image and emotion rather than on 'objective' product information per se. For example, product disadvantages are seldom revealed, thus rendering performance comparisons all but impossible on the basis of advertising alone, and comparative advertising does not alleviate this difficulty.
2.8.3 Consumer-Oriented Information

Included in the category of consumer-oriented sources, are all those types of information that have been designed for the express purpose of aiding the consumer in his decision making, by providing clues, facts, evolutions and comparisons of a multitude of products that are not normally available either through commercial or personal channels of communications. Since the information sources that belong to this group are normally outside commercial and personal channels, sphere, they have been called as "Independently organized consumer information system." These independent sources can be divided into three types of consumer information- quality marking, informative labelling and comparative product testing.\textsuperscript{78}

Quality marking and informative labelling are closely related with each other insofar as both are based on some tests, which must meet criteria as specified by the issuing agency. Quality marking corresponds to a seal of approval or a quality certification, which is issued to any applicant whose products meet minimum standards of quality as established by the testing organization. Informative labels are factual descriptions of product characteristics, which indicate the grading of the product according to its performance, material, contents, size and similar factors. Often, these labels contain also instruction for proper use. The quality seal or the informative label, as the case may be, is attached to the product itself and it is common to find both quality marking and informative labels combined on the same certification.
Product testing services provide comparative information on quality characteristics, performance, usage and technical aspects of a great variety of products. Often, product rating and price comparisons are included in the test reports. Product test reports can render a valuable service by helping consumers and by stimulating quality improvements.

One author summed up his feeling about product testing in this way: "to the extent that reliable guidance is offered, the rating agencies make useful contribution to the smoother functioning of the economic system. Inaccurate information, whether disseminated by rating agencies or by advertisers tends to subvert the economy." 79

It is probably true that the information value that can be derived from product test reports is superior in most cases to trial and error and additionally, they may help instill quality consciousness, in consumers and producers. Some limitations to product tests can be noted, however. For instance, only branded goods are feasible for testing to allow people to identify the product tested. The test sample of individual brands is typically small. Variation in quality from time to time may inhibit test validity. Tests may become obsolete too soon in a dynamic economy. Then, there is the problem of non-typical consumer whose varying product use conditions may make test results inappropriate for him. Finally, the quality characteristics of the product itself may be conflicting, such as power versus economy in a car, or toughness versus absorption capacity in a paper napkin. 80
2.9 Information Search

There are a great number and variety of sources of consumer information available to consumers with which he could sort out those clues that are relevant to a particular purchase decision to permit him to take a 'rational' and 'optimal' choice.

The consumer is human and he is faced with limited capacities of time, money and effort. Often he must be satisfied with less than perfect information and less than optimal choice. Consumers vary in types and number of the nature of sources of information they consult, when they need information for reaching a purchase decision. Because of the nature of information sources, consumers seldom find it necessary to consult the mass media after personal sources have been consulted and they often find it necessary to supplement mass media information with information from sources they consider more complete or more truthworthy. Variation in information search also depends on consumer's abilities to seek and use information and their perceptions of the need for pre-purchase information.

It has been assumed that consumers take in all information to which they are exposed but the significance of this assumption is not obvious. If consumers simply passively accepted all information that they accidentally encounter, they would probably die of starvation because they would be unable to carry out the act of purchasing. They would be lost in information. Therefore, this assumption must be abandoned. First, consumers are and must be very selective as regards the information they take in, because they are confronted with massive amounts of information, most of it irrelevant. Second, consumers must be tightly
adaptive to changing information needs and changes in environment. At one moment, a consumer is buying chewing gum, at the next, buying an automobile. The difference in information requirements is almost astronomical. Also, the environment is continuously changing with respect to the information that it provides. Often, almost no effort is required to process the information; that is especially true of advertising. Consumers get information from their surroundings, their environment and this environment is very complex. In fact, it is probably the complexity of environment, rather than the complexity of the buyer, that makes understanding consumer behaviour so difficult.

2.9.1 Consumer and His Environment

A man, viewed as a behaving system, is quite simple. The apparent complexity of his behaviour over time is largely a reflection of the complexity of the environment in which he finds himself. Consider the enormous number of sources of information that a consumer could use for almost any product in the technologically advanced culture of post-industrial society. For example, suppose one is interested in buying a television set. He can discuss it with friends or relatives or neighbours. He can read the newspaper advertisement. He can enquire at many stores. He can watch television. He can read some of the magazines and newspapers which run articles on various products, especially when there are significant product changes.

Because of the complexity of the environment, what buyers pay attention to in the environment and where they search in that environment make a great difference to their purchasing behaviour.
This fact has two implications: first, one must attempt to understand the process of attention and search. The remarkable capacity of human beings for selective attention and search is especially pertinent to understanding the effects of mass media, which offer a wide scope for selectivity to operate. Second, because of the environmental differences among consumers, one should not be surprised at the greater amount of variability — 'noise' — that is encountered when the data is analyzed.

The consumers' environment is the source of information to which they might be exposed. An exposure situation occurs when the consumer is faced with marketing communications. The major elements of the theory of marketing communications are as follows:

Fig 2.1: Elements of Marketing Communications

To explain the effects of communications, it is necessary to know, how and when exposure occurs (i.e., attention is paid) and to analyse what
happens when the consumer pays attention to the information. Exposure may take place in three different ways, which may be (a) by way of experience formation, (b) forced learning and (c) information acquisition. Experience formation is especially important in connection with the use of the products and services. Whenever consumption occurs, it is possible that the product involved will perform above or below expectations. In both instances arousal will increase and a conflict will result. In the process of dealing with the conflict perceived instrumentalities or values can change.

In forced learning situations, the information itself will generate a sufficient amount of arousal. This is what happens when advertising influence the individual when he is not actively looking for information. Only to the extent that the advertisement is able to generate a minimum of conflict, modification of concepts occurs. Information acquisition occurs when arousal has already been generated and a certain number of concepts are salient. The consumer is actively seeking out information and the information to which he will attend depends upon the salient cognitive structure, the important thing being that the initiative is in the hands of the receiver.

Consumer’s information acquisition is not limited to exploration in the pre-choice situation. Choosing an alternative that implies that the consumer will go out and search for more may terminate a choice process information. But again, when the information search is performed, a certain amount of conflict is aroused, and a new choice process is generated.
The distinction between information acquisition and forced learning suggests that either individual or situational factors alone explain how exposure is generated. Of course, all exposure situations depend on environmental as well as individual factors, but the relative importance of these factors varies. On the one hand, when a firm commitment to search for some specific information has been made and when the consumer subsequently addresses himself to that information, the importance of the internal factor is obvious and the instance can easily be identified as information acquisition. On the other hand, when no intention exists and when external information makes the consumer consider a product he would not otherwise have considered, a clear case of forced learning occurs. However, often vague intensions or motivational sets interact with favourable situational elements to create the exposure. It may be more questionable whether forced learning or information acquisition occur, the essence being, of course, that forced learning and information acquisition represent extremes on a scale ranging from exposure situations in which situational factors dominate, to situations in which internal factor are the major determinants of choice.

2.9.2 Availability and Choice of Information

When studying situations in which the consumer is exposed to information, it is necessary to consider the availability of different kinds of information.

Consumers can be exposed to many different kinds of information, but for the individual consumer, the narrow environment in which he lives limit the information he will face. The forced learning situations he will experience are biased to the extent the environment is biased, and the
same applies to the information to which he can attend in situations where he is actively acquiring information. Similarly, the consumer is not likely to have experience with all possible products and brands.

The environment may also affect in a more narrow sense which information sources the consumer will utilize. The alternatives to be considered depend upon the particular situation, and each situation has its own sources upon which the consumer must rely. Normally, if one wants to make use of other sources, he must choose an alternative that involves search outside the particular environment and such an alternative will be chosen only when a certain amount of perceived conflict has been aroused, and when no other sufficiently attractive alternatives are available.

How the consumer will react to the information depends upon the relationship between the source and content of the message and the receiver's salient cognitive structure. A particular piece of information is chosen according to the individual's expectations with regard to that information. However, when the consumer becomes exposed to the message, it may look completely different or it may turn out to be more or less in agreement with his expectations. This implies that the consumer's choice of information must be examined, depending on his expectations and that the effects of the information must be seen in relation to actual content of the information.
Selectivity implies that people are biased in the material to which they become exposed and to which they attend, in what they read and understand, and in what they learn and remember. Many studies of selectivity suggest that two kinds of selectivity occur. Many authors suggest that consumers are selective in that they seek out what they are interested in; while others suggest that people prefer information that supports whatever views they already hold. In some instances, these principles may make some predictions, as when the supportive information happens to be the information in which the consumer is also interested.

Regarding the consumers' interest in pre-purchase information, Thorelli (1971)\textsuperscript{84} in his study on 93 Norway sample districts, found that those with more education might be more information-minded than those with less education. Actual or potential buyers or owners of a product were more likely to be better informed than others, and one might expect that higher income or wealth was accompanied by greater product-informedness. There might be a product-informed elite, and hence a concentration of information power among consumers. After all knowledge is power.

In their scholarly study, Newmann and Staelin (1972)\textsuperscript{85} made the findings that lend support to the hypothesis that purchase and a product resulted in learning, which later influences buyer behaviour, their results, as well as those of earlier studies indicated that the amount of information sought by many buyers was small, but it did not necessarily mean that buyers were ill-informed.
In another useful study, Rao (1972) examined the relationship between the amount of explicit information and brand perceptions and the effect on perceptions of brand image (conjured up by the brand name alone) though other sources of information use were available. Twelve brands of 1970 automobile models (cars) were chosen as stimuli in the study. Description of the twelve stimuli was developed from literature published by the manufacturers and consumer union reports.

In their revealing attempts, Roering and Block (1976) surveyed the following predictions as the focus of their investigation. The consumers living in high and low density areas will differ with respect to their pattern of pre-purchase information search, and consumers generally would differ with respect to the pattern of pre-purchase information search associated with the decision to buy various types of products. The data used for the above study were collected via structured personal interviews with 102 household representatives in the central Missouri area in and around the city of Columbia.

The main result of the study was that the two consumer groups studied did differ with respect to pattern of information search.

The pronounced variations in information search patterns observed in these two consumer groups suggested that other consumer groups might also show substantially different information search. Thus, this research effort had attempted to enhance understanding of pre-purchase information search by comparing the reported information search pattern of two market segments.
O'Brien (1977) examined, in his study, four factors—demographic, personality, source and message and product class and their effects on information handling. The products chosen for the study were cars and breakfast. It was found that the factors had varying effects on information handling. Search initiation had no effect on these variables, nor did education, sex, product class or psychosocial classification, except that knowledge increased more for cars than instant breakfast. As demographic variables, sex and education affected search initiation. Higher educated subjects were more likely to go in search of information probably because they were more familiar with sources and benefits of such search. Males were more likely to go in such a search in differences being greater for the presumably higher interest product class of automobiles. The psychological variable, a personality measure has no effects no search or decision making but was found to influence the way information was asked.

Another important finding of the study was that since most available information was favorable towards a particular brand, unfavourable messages would be especially valuable in that damaging information could terminate purchase consideration.

In his study of choice process and automatic responses, Wasson (1979) found that the general focus of consumer behaviour models on the search process seemed to have relegated the complex of automatic responses and unconsidered choices to purchase behaviour of established products. By the automatic responses was meant the learned complex of habitual procedures, of those habits of thought called perceptions and habits designed as attitudes, social class behaviour, culture and lifestyle. The automatic responses played a major role in the adoption and
diffusion of innovative new offerings, and were the determining factor in the degree of ready acceptance of the product on introduction.

In a fine and fruitful attempt, Westbrook (1979) made a study to determine whether distinctive patterns of information source usage could be identified. A method based on canonical analysis of retail, neutral and personal sources usage measures in connection with selected explanatory variables proved useful distinguishing four different patterns. The products chosen for the study were refrigerators, freezers, washing machines, clothes dryers, ovens, and dishwashers.

The findings of the study indicated that major appliance buyers could be classified according to distinctive patterns of pre-purchase information source usage, which were understandable in terms of various explanatory variables.

Yet another commendable study was made by Crites, Shaw and Onkvisit (1979) on information sources usage among home buying consumers. The main purposes of the study were: what exactly the steps involved in the home search process? And what were the types of information sources used by consumers to locate potential homes for purchase consideration? A field study was organized to examine the information search patterns of purchase and post-purchase home buying sample consumers of 2,314 was determined out of the population of 18,517.

There were five classifications on the level of interest with regard to the purchase of a home – slightly involved, involved, very actively involved, post-purchase, and not involved. The findings of the study
indicated that for most Americans the purchase of a home represents the single largest purchase a family would make in its lifetime. The data gathered in this study indicated that changes did occur during the search process and it might be of interest to determine how the changes occurred and what influenced the consumer to change the search pattern.

A model was developed by Ratchford (1980)\textsuperscript{92}, expressing the relation between gains to search and a consumer's reference function. For four of five appliance – air-conditioner, refrigerator, washing machine, canister vacuum and range – to which the model was applied, extensive search would not be worthwhile for a consumer whose preference approximates the market hedonic price function. He had made a reference of other studies (Claxton Fry and Portis, 1974, Newmann and Staelin, 1972), which suggested that substantial number of consumers failed to engage in extensive search prior to purchase. But unlike previous research, his study focused on incentives for information seeking for a given product, how much would a utility-maximising consumer with a given preference gain from search.

Another informative study was undertaken on information seekers and information system by Thorelli and Engledow (1980)\textsuperscript{93}. Consumer information systems in general and independent consumer information programmer in particular were seen as indispensable elements of consumer policy, both private and public. In open market democracies, information had inherent merit relative to consumer protection by direct regulation.

In a comprehensive study of the behaviours and correlates of information seeking by Australian new car buyers, the researcher Keil
and Layton (1981)\textsuperscript{94} examined three dimensions of information seeking—a source of information dimension, a brand dimension, and a time dimension. Cluster analysis was used to develop consumer taxonomies of search behaviour based on measurements of each of the dimensions. The resulting taxonomies were a high search group, a low search group, and three clusters collectively styled selective information seekers.

The findings of the above study were that the Australian consumers like their U.S counterparts, differ greatly in their use of alternative information seeking behaviour studied, the results indicated that some consumers undertook substantial activity. 36\% of respondents had reported making two or few trips to inspect cars, whereas 20\% reported making six or more such trips. The relationship between price and search behaviour was positive, indicating that the greater the net price paid, the longer the search time period.

In another belief-oriented survey of 164 recent purchasers of colour television sets, Buncan and Olshavsky (1982)\textsuperscript{95} showed that consumer beliefs about the marketplace and about their capabilities as consumers accounted for 50\% of the variance in extent of external search. The type of brand (domestic, foreign, or private) and the type of store (national, regional, or local) considered by a consumer were found to be significantly related to the belief held.

The main objective of this research was to study the degree of relationship between marketplace related beliefs and pre-purchase external information search behaviour. The extent of external search for information exhibited by consumers prior to purchase typically had been
found to be very limited; in some cases little or no external search occurred.

Another enlightening study by Malhotra, Jain and Lagakos, (1982)\textsuperscript{96} reviewed the information overload controversy and presented a methodology for investigating the effects of information load on consumer decision making process.

A comparative study of consumer information seeking between two countries-Singapore and U.S. was taken up by Tan and Dolich (1983)\textsuperscript{97} The results of the study revealed that contrary to the belief that foreign consumers might utilize different information sources, it was found that the U.S. and Singapore respondents to be quite alike in their usage of information sources. In general, personal sources such as observing or seeking advice from friends, neighbors and family members were used quite frequently by both groups, seeking information at retail outlets appears to be common among the U.S. consumers only.

2.10 Position of Consumer in the Market

Consumer may be defined as any person or individual who is using goods and services for the satisfaction of his needs and wants. This definition depends on usage and not on the act of purchasing per se, nor on income, age, sex, or social class. Since all persons living in the society are dependent on one another for providing the necessities of life (as well as its luxuries) and all individuals are using up, i.e. consuming, at the minimum, some food, clothes and shelter, all are included in the consumer category. Engel\textsuperscript{98} and others defined consumption as “those acts of individuals directly involved in obtaining and using economic
goods and services, including the decision process using economic that precede and determine these acts." Excluded from the concepts is state and local government's 'usage' as well as industry 'usages' for consumption and for production can be drawn because the consumer may not be under the same pressure to act rationally as is the firm of entrepreneur. The entrepreneur who behaves irrationally will presumably be driven out of business and will then no longer be a 'producer.' Even government is somewhat obliged to act rationally, - at least in the eyes of the majority or risk loss of re-election. An irrational consumer, on the other hand, even if driven to bankruptcy, cannot stop consuming unless he commits suicide.

The inclusion of the consumer in the market system is, of course, as old as the history of exchange -based economies. His role in this system as a performer of marketing activities and his strength relative to other market forces, however, have changed.

On the macro level, consumers seem to have gained in relative market position. More discretionary income has enabled consumers to afford more luxuries, more travel, and more recreational activities. Increased leisure time has encouraged consumers to partake in these amenities of life in larger numbers.

Katona attributes the greater influence of modern consumers on the economy if broad masses of people were entirely uninformed about economic events.
However, consumers have largely remained unorganized and unconcentrated. As a result, consumers as individuals may at times be confused by the large assortment of the marketing offer. This may be frustrated by the impersonal character and treatment by mass merchandisers. While government, industry and trade; as well as the labour unions have grown enormously, often highly centralized power structures, consumers have remained largely diffused.

2.11 Factors Influencing the Consumer in the Decision Making Process:

After the consumer has decided the criteria to be considered, he evaluates various alternatives, and then makes a choice between different products. In this process, he is influenced by motivation.

"Motivation can be described as the driving force within individuals that impels them to action". Successful marketers define their markets in terms of the needs of the consumers they are trying to satisfy, rather than products they sell. This need appears to be closely related to the ego need, in that many individuals experience increased self-enhancement when they exercise power over objects or people. A number of products lend themselves to promises of power superiority for users, and durable goods are the best example for it.

A significant research work was carried out by Peters (1970) who introduced a study on the combination of family's income and occupation as a new explanatory variable, but earlier studies focused either income or occupation alone. He chose a representative sample of
2453 families, which consisted of those that had recent model cars and those that did not have five classes of car compact, inter-mediate-sized, medium-sized, large and foreign economy-cars were selected for the study.

The above study revealed that the average income-class, regardless of occupation, own foreign economy, and intermediate-sized and compact cars than expected. Moreover, the over privileged group (regardless of occupation) owned more medium-sized and large cars.

The concept of social class in marketing was introduced in 1950. A noteworthy study by Myres, Stanton and Hong (1971)\textsuperscript{103} compared social class and income as correlations of buying behaviour for a variety of low-cost packaged goods. The objective of this study was to determine whether social class or income best explains which products are found in homes. One thousand households were selected by multi-stage area probability sample. The social class was found basically inferior to income as a correlate of buying behaviour for the consumer packaged goods covered in their study.

What goes on in the minds of a consumer as he forms a purchase decision was marvelously studied by O'Brien (1971)\textsuperscript{104} in his novel study on consumer decision making. He used a relatively new methodology with a computer for setting up and interpreting multiple time-period survey data. The significant cross-legged and multiple correlation differences indicate that word-of-mouth influenced subsequent intention to purchase. Further, it was significant to note that commercial information has no direct influence on ultimate purchase. O'Brien's research is a revealing one indeed.
Settle (1972)\textsuperscript{105} made a study, examining consumers' preferences for four kinds of information sources in order to subjectively validate attribution about four types of products. Totally 24 products were chosen for the study like stereos, chairs, watches, bracelets, cookware's, electric hair rollers, oven-toasters, electric blenders, etc.

The study attempted to classify products so that conditions of purchase and use would be similar within classes. The conditions related not so much to the physical or economic properties of the product as to the psychological properties and the motivation of the potential buyers.

Another study was conducted by Lambert (1972)\textsuperscript{106} to test whether behavioural differences existed among consumers who selected items priced differently within the same product. The products chosen for the study were tape recorders, portable stereos, molded luggage, tooth paste, coffee, suntan lotion, and tennis rackets. The findings revealed that persons who chose the high-priced items perceived large quality variation within the product category and saw the consequences of a poor choice as being undesirable. They were confident that quality was related to price and saw themselves as good judges of product quality. Their perceived experience in purchasing the product was often high and they thought brand choice was likely to affect other people's social judgement of them.

Bogart and Lehman (1973)\textsuperscript{107}, in their psychological study of unaided brand, recall by female household heads, examined some factors related to brand salience. Their findings indicated that brand recall was a complex and dynamic process.
Newmann and Werbel (1974)\textsuperscript{108} were much interested in some new findings on automobile brand loyalty. Though brand loyalty is a subject of high interest to marketers, the empirical research on it has been limited especially to consumer durables. A new measure of loyalty was compared with the traditional repurchase definition, and significant influences on loyalty were identified by multivariate analysis.

The data analysed for the above study were from 217 households, which had bought a new car in 1967 or 1968. The respondents were adults from a probability sample of 1300 households in the United States, excluding Alaska. The findings revealed that the probability of loyalty was higher than average for persons who attended but did not graduate from either high school or college who were in occupations of low to medium skills who bought cars frequently; who tender to be optimistic and who were satisfied with their cars. A remarkable study was made by Parker and Copley (1974)\textsuperscript{109} to examine the relationship which existed between consumer brand preference, attitudes, brand attributes importance and perception. The data were collected from the twin cities of Lewiston, Idali and Clarkston, and Washington. Information on preferences towards seven car brands, perceptions of the attributes of these cars and attribute satisfaction scores were obtained from the sample consumers. Eleven-car attributes-economy of operation, power, warranty, style, size and dependability-were included in the analysis.

The findings of the above research work revealed that brand evaluation was a comparative process in which the preference of one brand was highly dependent upon the consumer’s attribute perceptions and attitudes toward other brands.
A comparative study on qualitative and quantitative models was made on brand loyalty by Wheeler (1974)\textsuperscript{110} which threw light on many behavioural aspects like brand-switching. Consumer behaviour was more accurately predicted by means of quantitative models than qualitative ones. The study also emphasized and quantitative taxes because a brand loyal customer purchases a particular brand not only time and again but the brand under consideration have positive psychological preferences also for the brand loyal customer.

Fear can also be an important factor of motivation. In this regard, a study was undertaken by Tesar, (1974)\textsuperscript{111} in the case of electric car, the need for which was felt by citizens of America due to the fear of air pollution. Metropolitan areas were the hardest hit. The people were forced to change their attitudes due to a change in the environment. The electric car is pollution-free and does not require petro-chemically-based fuel. In speaking to the third International Electric Vehicle Symposium, James A. Meclure, United States Senator from Idaho, expressed the opinion that the electric car was one of the few realistic solutions to the transportation problems.

The above survey was conducted to test the consumer reactions to the product concept, which included 1200 personal interviews at the shopping centers in three large metropolitan statistical areas in the Midwest in the latter part of spring, 1973. The hypothesis framed made it easy to test the intention of buying with different attributes cost of operation, ease of maintenance, luggage capacity, passenger capacity, mileage, price, speed and pollution. The researchers forecast a definite increase in sales upto 2,46,000 electric cars by 1980.
Parker and Anderson (1974)\textsuperscript{112} examined the consumer's preferential expectations concerning attributes on objects and their posttrial perceptions of the attributes. The findings suggested that differences did exist among individuals in terms of the appropriateness of various preference models.

Hempel (1975)\textsuperscript{113} studied terminates and effects of family role structures in house purchasing decision. A sample of 206 households was selected and both husbands and wives were interviewed. The findings of the study revealed that the role structure in family house buying decisions was affected by household characteristics. There was variation in the relative importance of determinants. There was variation in the relative importance of determinants across sex, culture and role structure measure.

A useful attempt was made by Wood Side (1975)\textsuperscript{114} to examine as to who makes the purchase of automobiles from information on marital roles in prior stages in the decision-making processes and from demographic and psychographic data. The data were obtained from a cross-sectional survey of 200 families from three housing sub divisions in the Columbia, South Carolina, metropolitan area, in 1972. Husbands and wives were interviewed that some of the developing family types did exist through the analysis of relative influence in prior decision-making and demographic-psychographic data.

The problems of methodology encountered in data collections in choice of participants and in decision-making concepts were analyzed and studied by Dunsing and Haftstrom (1975).\textsuperscript{115}
A significant culture study was made by Henry (1976)\textsuperscript{116} to support the general theory that culture was a determinant of certain aspects of consumer behaviour. Value dimensions developed to study the cultural orientations within American society were found to correlate with the ownership of generic automobiles categories. Culture generally is accepted by marketing theorists as one of the underlying determinants of consumer behaviour.

The psychological implication in the consumer behaviour, when a change of agency is effected was brilliantly studied by Nordstrom (1976)\textsuperscript{117} who had assumed that changes in market structure variables could affect consumer loyalty behaviour. This research work presented supportive evidence from an expo facto experiment showing that a change in business ownership was related to significantly altered brand and store loyalty patterns. It made a reference to Ford agency. These findings highlighted a need to recognize that loyalty was dependent on factors outside the physical product as motivation and that to hold loyal the buyers, from the viewpoint of dealers, there must be continuity of operation.

In another in-depth study, by Paul and Rayn (1976)\textsuperscript{118} perceived risk at the brand level was investigated. Perceived risk was conceptualized in terms of expected negative utility associated with automobile brand preferences. Empirical evidence supported the notion that importance of loss was more useful as a segmentation variable than as a component in a multiplicative model.

A study was undertaken by Tankersley (1977)\textsuperscript{119} with the objectives to investigate the association between attitude and brand
loyalty behaviour to compare two attitude models' association to brand loyalty behaviour and to analyze the effects of intervening variables on the association between attitude and brand behaviour. This study threw light on the relationship that existed between attitude and brand loyal behaviour.

Whether customers behave rationally or irrationally while taking buying decisions was a unique study made by Markin (1979). The study examined several aspects including the typical models and assumptions inherent in consumer decision process models and to develop the psychological concept of rationalization and examine the existential support for the concept. The findings revealed that the consumers were sometimes rational and not always. Consumers did rationalize their decisions and the rational consumer obsessed with seeking, searching and information processing activity was largely a normative rather than a positive model.

Golden (1979) in his relative study, investigated the influence of comparative and non-comparative advertising on purchase intention ratings, perceptions of believability, credibility, quantity of information, and usefulness of information. The impact of the advertisers' competitive position and claim was considered.

In order to measure certain concepts - self concept, reason concepts and product concepts - Malhotra (1981) had made a study regarding construction of a scale to measure the above concepts. Multivariate analysis and multi-dimensional scaling procedures were employed to develop a 15-item semantic differential scale measures of test-retest reliability were reported.
A remarkable study on family decision making was undertaken by Qualls (1981). The main purpose of the research was to discover the effects of family members' sex-role orientation on influence patterns for several household decisions. The comparison of sex-role modern and sex-role traditional revealed that family members' sex-role orientation affects the degree to which families interact and the perceived pattern of influence for various family decisions.

A study of quality was made by Rexeisen (1981) to scrutinize the influence of price on products evaluations. The result of the study was quite contrary to earlier studies that no significant price effects were found. There were significant interactions between place of purchase, information levels and the ordering of price presentation.

Freuden and Bible (1982) made a status to examine whether tenure status and socio-economic status were associated with housing attribute preference. One hundred and fifty five homeowners were selected as sample. The findings revealed that tenure status and socioeconomic characteristics affected the housing choice.

A consumer involvement study was undertaken by Laurent and Kapferer (1985). The researchers measured an involvement profile rather than a single involvement level. Fourteen product categories - durables, food, textiles, drugs, etc., - were selected for the study, with 100 housewives as a sample. It was found that when consumers were involved, they engaged in a number of behaviour (active search, extensive choice process, active information processing, etc.,) and when not involved, they were not engaged in these behaviours.
Analysis study was conducted by Bitta, Monrose and McGinnis (1986)\textsuperscript{127} who dealt with the issue of comparative price advertising from a behaviour perspective.

The study by Srinivasan (1979)\textsuperscript{128} examined two aspects, cognitive-rational and hedonist aspects, as forming two distinct but consecutive stages of the consumer process. The findings revealed that cognitive-rational and hedonist aspects were not two mutually exclusive elements in consumers' scheme of things.

Hill (1987)\textsuperscript{129} made a study on the mood of consumer with the objectives of looking at the mood literature and its development thereof.

Ravichandran (1988)\textsuperscript{130}, in this praiseworthy research work, examined information sources used, choice-marking and discrimination between urban and semi-urban population with reference to purchase of durable goods with 550 sample consumers from Chennai city and 4 other towns. The products chosen were refrigerators, televisions, ceiling fans and domestic mixers. The fruitful findings revealed that urban consumers made use of commercial sources, and semi-urban, personal sources. They showed significant differences in the time taken for decision.

2.12 An Overview of Evaluation Criteria Process

Economic and market analyses attempt to identify and describe the influences underlying market activities so that with the fuller understanding, more useful predictions can be made about future trends. Since firms prosper by serving their customers' needs at a profit to themselves, some understanding of the behaviour of customers during the
various stages of buying appears to be a pre-requisite to successful
trading operations. Firms should therefore, construct profiles of their
customers, which will include comprehensive analysis of the buying
situation. This systematic situation should be based on data from market
research, together with first hand knowledge of customer's behaviour
gained over several years.

The decision process perspective provides important information
for marketing decision making. Knowledge about such things as the
relative importance of various information sources, the criteria used to
evaluate alternative brands and so on, is useful in designing product,
price, channel and selling strategies.

Information has been processed and is part of long-term memory.
It is available for use in alternative evaluation process that consists of the
comparison of various alternatives for purchase and consumption against
those criteria or product attributes felt by the consumers to be important
in the decision. The outcome will be formation of or change in beliefs,
attitudes and intentions.

2.13 Operational Definitions

2.13.1 Consumer

Strictly, the ultimate consumer of a product, the ultimate user of a
product or service is the person who derives the satisfaction or the benefit
offered.\textsuperscript{131}
According to the Consumer Protection Act, 1986 U/S 2(1)(d) the term 'consumer' is defined as a person who buys goods or hires any service for consideration, paid or promised and includes user of goods, using them with the approval of the buyer, but does not include a person who obtains goods for resale or for any other commercial purpose.

A consumer is an individual, who consumes goods, manufactured by firms or created by nature (air, water etc.), and services offered by government or firms, hospital, educational institutions etc.\textsuperscript{132}

2.13.2 Customer

Person or organization, actually making the purchasing decisions, is not necessarily the 'consumer' or 'user'. Legally, he is a party to a contract for the sale of goods.\textsuperscript{133}

"A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider to our business. He is a part of it. We are not doing him a favour by serving him. He is doing a favour by giving us an opportunity to do so" - Gandhiji.

2.13.3 Durable Goods

Goods providing a service over period of time rather than extinguished at the moment of consumption: includes goods like television, motorcars, and refrigerators.\textsuperscript{134}
2.13.4 Potential Consumers

Consumers who intended to purchase durable products in the next six months from the month in which they were contacted for data collection.

2.13.5 User

Consumers who were using durable products at the time of data collection.

2.13.6 Consumer Attitudes

Consumption related attitudes of the consumer of durable products that are formed on the basis of evaluation of information, considering, advertisements, interpersonal sources, price, brand/company name, store name, perceived risk and psychographics.

2.13.7 Product Attributes

Those attributes that were identified in the pilot study as important to the potential buyers in selecting durable products viz., brand name and price, defrost facility and durability.

2.13.8 Two Types of Consumers

The term consumer is often used to describe two different kinds of consuming entities: the personal consumer and the organizational consumer, the personal consumer buys goods and services for his or her own use (e.g. shaving cream or lipstick) for the use of the household
(salad dressing) for just one member of the household (a shirt) or as a gift for a friend (a book). These are personal consumers.

The second category of consumer, the organizational consumer, encompasses profit and not-for-profit businesses, government agencies (local and nationals) and institutions (schools, churches, prisons) all of which must buy products, equipments, and services in order to run their organizations, which may be operated for profit (e.g. commercial enterprises) or not-for-profit (e.g., governmental agencies, museums or hospitals).

2.13.9 Buyers and Users

The person who makes the actual purchase is not always the user or the only user of the product in question. Nor is the purchaser necessarily the person who makes the product decision. A mother may buy a product for her children (who are the users). Buyers are not always the users or the only users of the products; they neither buy nor are they necessarily the persons who make the product selection decision.

Consumers are highly involved in a purchase when it is expensive, bought infrequently and risky. Products involve a decision-making unit, which consists of more than a single person. Consider the selection of a family durable product. The suggestion to buy a new television might come from the oldest child (initiator). A friend might advice the family on the kind of durable products to buy (influencer). The husband might choose the make (decider). The wife might have definite desire regarding the durable products look. The husband might make the final decision, with the wife approving (buyer). The wife might end up using the
durable products more than the husband does (user). A company must identify these different roles as they have implications for designing the product, determining messages, and allocating the promotional budgets.

2.13.10 Consumer Behaviour and Government Decision-Making

In recent years, the relevance of consumer-behaviour principles to governmental decision-making has become quite evident. Two major areas of activity have been affected: 1) Government policies that provide services to the public or result in decisions that influence consumer behaviour and 2) The design of legislation to protect consumer or to assist them in evaluation of products and services.\textsuperscript{135}

2.13.11 Perceived Risk

Risk or uncertainty regarding the most appropriate purchase decision or the consequences of the decision is a significant variable influencing the total amount of information gathered by consumers.

It is important to recognize that risk is subjective. That is, the risk involved in a purchase decision is perceived by the consumer and may or may not bear a strong relationship to what actually exits. For example, even the choice of a canned ram may involve considerable risk in terms of the impression a person wishes to make when purchasing it for a dinner party involving his or her boss.
2.13.11.1 Situation Influencing Risk

There are several situations that influence the consumer's perception of uncertainty or consequences.

Types of Risk

As one may expect, there are also several kinds of risk that consumer may perceive in a purchase situation.

a. Monetary or financial risk
b. Functional or performance risk
c. Physical risk
d. Social risk
e. Psychological risk

2.13.11.2 Dealing with Risk

Because most purchase behaviour appears to involve at least some risk, consumer may take various steps to handle the problem. In most cases, this results in attempts to reduce risk. Consumer develops various strategies to relieve perceived risk.136

2.14 Section Summary

As can be seen from the above discussion of personal, commercial and independent information sources, the consumer can pick his choice from a wide variety. Taken in combination, these sources of information
provide the consumer with ample opportunity to gather market intelligence on a wide variety of products. Not all consumers take advantage of this opportunity. Some may lack necessary education and awareness. Others may feel the reward from information search is not worth the effort. Sometimes, communications messages are confusing rather than enlightening. His task of sorting out the relevant clues from an array of different information sources can be trying. Trust in the reliability and accuracy of individual source may also be an important factor in determining the direction and amount of search activity. The average consumer is likely to fall somewhere between the two extremes. Neither will he seek the advice of all possible information, nor will he avoid all.

For the purpose of this study, the sources of information grouped under three categories are: [a] personal sources, [b] commercial sources [including mass media] and [c] retail outlet sources. In the Indian context, the use of Engel’s classification of information sources is rather untenable, for the simple reason that quality marking, information labeling and comparative product test, included in the consumer-oriented sources, are not widely practiced. With respect to the four products considered here such types of consumer information is often lacking. So, the modified groups of information sources have been used. This fact is also proved at the time of testing the draft questionnaire. Personal source includes information from friends, relatives, neighbours, past experience with the product, personal observation and examination. Commercial source includes advertisement in newspapers, magazines, books, pamphlets, consumer reports, radio, television, roadside hoardings and
movie [cinema]. Retail outlet source includes information from salesmen, personal shop visits and retail outlet. Hence, it is important for a marketer to note that the above three sources of information is mostly used by the consumers in taking decision in the purchase of durable products.

In this study, the following variables are considered as evaluative criteria for taking any purchase decisions. They are price [equal and cheaper], brand popularity, availability of the product, reputation and location of the dealer, technical performance, service and availability of spare-parts, model qualities [size, colour, style etc.], warranty, discounts and gifts.

After extensive pre-information search and evaluation criteria, the consumers go for a product because of the influence of certain factors of motivation. Motivation impels the consumers to action. It is a driving force within an individual. Therefore, this chapter discusses the factors which the influence the consumers to purchase a durable products.
REFERENCES AND NOTES


13. Ibid. p.45.


20. Ibid. pp.73-79.


35. **Newmann and Staelin**, (1973), op.cit. p.45.


41. **Ibid.** p.258-263.


47. **Newmann and Staelin**, (1972,1973), op.cit. p.23.

49. Newmann and Staelin, (1973), op.cit.p.52.


52. Paul E. Green, op. cit., p.80.


77. Linder, op. cit., p. 69.


83. Flemmig Hansen, op.cit., p.168.


