CHAPTER VII
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7.1. Problem Focus

The present report has hitherto discussed in detail the results of the study on certain aspects of purchase decisions and consumer behaviour with respect to select durable items in the urban areas of Vellore District.

As all the consumers are not alike and their preferences are constantly changing; they prefer differentiated products, which reflect their own special needs, personalities, and lifestyles. People prefer a specific model of durable products among different competing brands for various reasons like handling, comfort, price, appearance, and durability.

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. In a competing market, an analysis of factors that influence purchase decisions is a pre-requisite for the decision-makers of a planned economy because it enables them to have an understanding of the current and future demands of durable products, and match supply with the changing pattern of demand, which will have a great competitive advantage in the market place.
After the World War II, the sellers’ market has disappeared and buyers’ market has come up. Thus, the marketers of durable products, who understand the relative importance of the information sources used by the consumers, the differences between the users and non-users of the particular sources of information, with reference to selected variables, the evaluation criteria used in making the final decision, and the factors influencing the consumers decision-making process, have a great competitive advantage in the market place. So far, no serious attempts have been made in this field of study in India. The present study of “Purchase decision and consumer behaviour of users of durable products” is an attempt in that direction.

The consumer may perceive product information from several sources. The source, which exposes the product and its features and/or the source, which helps the consumer in making the final choice, is of great importance to marketers to decide on their selling and advertising strategies. However, in the very competitive marketing situation prevailing, the manufacturers or the product dealers do want to understand the consumers’ decision-making behaviour in the purchase of the products they manufacture and sell. The factors determining decisions are important for them in so far as they help them make some managerial decisions. The diversity of the Indian consumer milieu poses serious challenge to marketing communications. It is because the psychographical profiles of the Indian consumers vary widely, from one segment to another, and sometimes within the milieu.
Therefore, the approach to a study of perceptions and purchase behaviour is somewhat complex in orientation. The study concerns itself with two sets of variables: that of information sources, and that which are considered the evaluative criteria. The sources of information are grouped into three broad categories: (a) personal sources, (b) commercial sources, and (c) retail outlet sources. The evaluative criteria and price (equal and cheaper), model qualities such as appearance, colour and style, brand popularity, availability of services, and spares, product performance, installments payment, availability of the products, ease of operation, reputation and locational attributes of dealers, discounts, and warranty. Besides these, some other variables have also been considered as they have impacts on purchase decisions.

The study sets the following objectives for analysis. (i) to examine the relative importance of the information sources used by the consumers in the purchase of four consumer durable products. (ii) to find out the differences between the users and non-users of the particular sources of information in the search process and the dependency of certain selected variables, (iii) to analyse the evaluation criteria used in making the final decision, (iv) to identify the factors influencing the consumers in the decision-making process.

7.2 The Dimensions

A brief sketch of the Vellore district serves as the backdrop of the study on the purchase decisions and consumer behaviour with respect to select durable items. The physical features of the district, size of population and their occupation, the trend in urbanization, administrative
divisions, land use pattern, size of holdings, irrigations, cropping pattern, industrial development – large scale industries, small scale industries, khadi and village industries, employment in public and private sector, Trade and commerce, development of infrastructures like roads, motor vehicles on road, railways, electricity and its consumption, housing, development, financial institutions, particularly commercial banks, distribution of loans, small saving collection, health and standard of living of the people do exert influence on the purchase decisions of the consumers in this region.

The hot climate, prevailing in Vellore district, induces the middle and upper class people to purchase refrigerator and air coolers. The employment and high income have motivated the people to purchase television sets and washing machine. The population, size of family and the nature of occupation would determine the size of income of the families. Agriculture is the primary occupation of the majority of people in the district. The development of agriculture depends on the land use pattern, size of holdings, crop pattern and irrigation.

The rapid urbanization is the result of growing industrialization of the Vellore district. The large and small-scale industries, khadi and village industries, leather industries, trade and commerce have contributed to the development of industries and employment.

The developments of infrastructures like roads, transports, railways, electricity and housing have changed the industrial face of the Vellore district. The people’s preference for modern living, which is augmented by the consumption loans, distributed by the commercial banks, has led to the purchase and possession of more and more durable
commodities. The contribution to small savings, healthy living, and better standard of living have motivated the people to develop a positive outlook towards durable assets.

7.3 The Approach

The following concepts, used in the study, are reviewed:

- Evaluation of Consumer Information in Economic Thought
- The Role of Information in Marketing
- The Behaviour Models
- Market Information
- Risk and the Bayesian Approach
- Nature of Information Sources
- Market Originating Information
- Consumer Oriented Information
- Information Search
- Evaluation Criteria
- Evaluation Criteria Process
- Decision Making Process
- Factors Influencing the Consumer Behaviour in Decision Making
- Operational Definitions

The research design, chosen for the present study, includes the choice of the study area, the selection of sample, collection of data and the tools used for analysis.

The Vellore district has been purposively selected for the present study as it has large number of towns, with concentration of large and
small-scale industries. Out of the nine Municipal towns, four towns viz., Vellore, Gudiyattam, Vanyambadi, and Tirupattur towns were chosen as they have largest number of dealer shops for the selected durable goods.

The consumers of the selected durable goods were traced through the dealers of durable goods in the selected towns. There were thirty dealers, distributed in the four towns, dealing in durable goods—television, refrigerator, air cooler, and washing machine. From the selected dealers, 20 consumers, who purchased the above said items, were identified. There were 600 consumers of durable goods in the sample frame. Pre-tested questionnaires were served to the selected consumers. Only 450 filled up questionnaires were returned to the researcher through the dealers.

A structured questionnaire was used to collect the required details from the consumers. The questionnaire was suitably amended after the pre-test through a pilot study. It comprises two sections: Section 'A' was framed to obtain details about the information sources, and section 'B' to collect general information about the consumers of four durable products.

The secondary sources of data on physical features, population, land utilization, agricultural development, industrial development, infrastructure development, health and standard of living were collected from published sources and from the Statistical Department of the Vellore district and the state.

The collected data were analysed with the help of simple averages, percentages and pie-diagrams. Chi-Square was used as a test of independent.
The samples have been used with reference to data gathered in generating factor structures for the products in order to break the variables down to a smaller number of factors that explain the dimensions of consumer perceptions and also decisions.

The same data have been subjected to a further analysis of discrimination so as to bring out the differences between the population with respect to factor, influencing the consumer in making purchase decision and perception variables, sources of information and other related variables that determine consumer behaviour in some way. In the two analyses, the study has attempted to gain insights into the consumer behaviour of the two groups of consumers (public sector and private sector) as well as classify the respondents into definable groups showing particular characteristics.

The two analyses tested some theoretical suppositions and tried to provide for a classification of variables and consumers, and at the same time, explicitly explaining their behaviours and decisions. Additionally, the study has also looked into information use, the role of media in their perceptions about the durables and how they have helped making decisions for final purchases.

The examination of information sources has been made with a view to find out (a) exposure and (b) effectiveness, in as much as the consumers' first hand knowledge of products and brands and further, in using this knowledge gained, in making a purchase decision. In fact, the processes of acquisition through media exposure and the actual purchase have been conceived as two distinct stages of consumer behaviour in
which the consumers go through a period of evaluation and decision. In
as much as these two stages become effective, the relative importance of
exposure and effectiveness has been fully evaluated. The evaluation of
these two (exposure and effectiveness) was taken to its logical analysis of
the dependency between information sources vis-à-vis other selected
variables, such as the number of shops/showrooms visited, number of
brands considered before the purchase decision was made with respect to
the four products. The time lags between contemplation and actual
purchase have also been considered to bring out insights on the planning
part of a purchase.

In each case, again, the number of factors extracted depended very
much on the data and the power of the technique. The rule, applied in
respect of extraction of factors, is that the ‘eigen values’ should in each
factor be more than 1.0, and this was followed for the express purpose of
making interpretation worthwhile.

The discriminant analysis was performed with two particular views
in mind, and the first was to see how different were the consumers in
terms of their milieus, what and how many groups would they form in
any given discrimination and identify the factor influencing the consumer
in making purchase decision. The testing, however, was to see whether
the samples, or at least most of them, fall in line with normal distribution.
The results have been rewarding and salutary in that the applications have
accomplished the classifications of variables into “factors” and people
into “groups”. The results have thrown sufficient light on the perceptions
and behaviour of the consumers. The variety that the results indicate is
something that gains us a look into the minds of people making decisions.
7.4. The Results

7.4.1 Information Sources Used by the Consumers

Most of the consumers have shown commercial source as the most important in terms of both exposure value and effectiveness criterion. This shows indirectly of the relatively higher exposure to commercial information in study areas, expresses the access to commercial sources and the influence it has on purchase decisions. The consumers place more of a premium on commercial information, as there is less of time for personal contacts.

But, in the study areas, there is some time lag in decision making after having been exposed to sources of information. While this time lag indicates a period of evaluation on the one hand, this also makes clear the relative importance of the sources themselves. Personal sources make for quick decisions, while commercials cause a slightly delayed decision, perhaps, because some form of verification goes into the making of it. But the personal and the commercial sources influence all the consumers. The users of personal sources took time, one to four weeks, while the users of commercial sources took more than four weeks.

7.4.2 Users and Non-Users of Information Sources

When users and non-users of sources of information were pitted against each other, they did show significant differences in time taken for decisions. This is particularly so in the case of users of commercial and retail outlet sources. Time taken is independent to personal source, while it is dependent for the other two sources in the sample areas.
The two groups of consumers, however, relate same views on planning the purchase in which all the three information sources have been evaluated and acted upon. Both users and non-users do not show differences in terms of the sources in the sample. The level of planning is dependent on all the three sources for all consumers.

The number of brands, considered in purchase decisions, is dependent, relative to all the sources for all the consumers, while independent relative to commercial and retail outlet sources. In final purchase, conversely, the users of these sources consider one or two brands only, which incidentally, is a result of brand popularity and availability.

The number of shops visited before a purchase decision is one or two for all the consumers. The percentage is rather equal in relation to the users of retail outlet source among the total population where they have visited more than two shops.

7.4.3 Evaluative Criteria in Purchase Decisions

The factor analytical procedure was applied for the four products using 15 variables. The most important factor structures bring out the following evaluation criteria used by the respondents.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Television</th>
<th>Refrigerator</th>
<th>Air-cooler</th>
<th>Washing Machine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor-1</td>
<td>Installment and price</td>
<td>After-sales service and prize</td>
<td>Ease of operation and prize</td>
<td>Warranty and dealer attributes</td>
</tr>
<tr>
<td>Factor-2</td>
<td>Price, Model and discount</td>
<td>Price</td>
<td>Dealer attributes and ease of operation</td>
<td>Discount and dealer attributes</td>
</tr>
</tbody>
</table>
Considering only the first two dimensions for each product in the samples, the finding for television is that the main dimension is installment and price for all the consumers. While price is the common composite variable for the samples, installment appears to be more important for the sample. The reason is that either there are several hire-purchase offers in urban areas, or installment buying is taking advantage of such offers. In terms of the bipolar, there is near conformity for price and model quality in the samples, although discount is an incentive for urban buyers.

Refrigerator appears to generate disparate factors in both the main and the bipolar. After-sales service and prize are the first dimensions in the sample, primarily because after-sales services are a must and prize is the usual or at least the single mode by which such expensive items are got. Price is the common link in the bipolar for the samples.

Air-cooler, the first dimension for all the consumers, is a composite of ease of operation and prize. Prize is therefore the common link. Ease of operation is important for all the consumers mainly for quick work. Ease of operation gets tagged with dealer attributes for all the consumers. There is some reinforcing on ease of operation for all the consumers because it appears once again in the bipolar.

As for washing machine, however, the factor analysis procedure was employed for the aggregate of the total samples, considering that they were long introduced to the product, and they do not in fact show much difference in preferences, uses and purchase decisions. Warranty and dealer attributes form the first dimension and discount and dealer attributes, the bipolar. The inclusion of dealer attributes in all the
dimensions is important as it reinforces the value of the same when all the samples get aggregated together. However, warranty is the single most important dimension for all the consumers.

In all products, the consumers seem to put a premium on price while they may differ explicitly on the availability, dealer location and reputation, technical performance, discount and the like. The consumers prefer as most important a set of variables, whatever may be the set, but there are some common ones, and some disparate variables. Yet among the products, the results of analysis provide for some perspective: for instance, in all these products, the evaluative criteria appears to be economic or utility aspect rather than psychological.

7.4.4 Determinant Factor Influencing the Consumer in Making Purchase Decision

The discrimination, when effected with varying number of variables, gives rise to incisive insights into the differences between the two groups of consumers (private sector and public sector). Two viewpoints emerge from discriminant analyses of the public sector and private sector samples. Firstly, there are slight differences between the consumers from the two areas as may be understood from the Mahalonobis distance criterion as well as in terms of the F-test for significance. Secondly, a majority in both cluster around the means, meaning the samples are drawn from normally distributed populations. However, the number of groups indicates that there are extremes in both samples and the milieu swapping (where one group exemplifies the milieu of the other, while at the same time belonging to the other) is common.
The factors influencing the consumer behaviour according to rank are given as under:

15 Variables Case (First three ranks only)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Television</th>
<th>Refrigerator</th>
<th>Air-Cooler</th>
<th>Washing Machine</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Warranty</td>
<td>Special gift</td>
<td>Equal price</td>
<td>Easy instalments</td>
</tr>
<tr>
<td>2</td>
<td>Dealer location</td>
<td>Appearance, colour, style etc.</td>
<td>Immediate availability</td>
<td>Warranty</td>
</tr>
<tr>
<td>3</td>
<td>Dealer reputation</td>
<td>Dealer reputation</td>
<td>Special gift</td>
<td>Dealer reputation</td>
</tr>
</tbody>
</table>

3 Variables Case (First rank only)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Television</th>
<th>Refrigerator</th>
<th>Air-Cooler</th>
<th>Washing Machine</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Commercial</td>
<td>Commercial</td>
<td>Commercial</td>
<td>Personal</td>
</tr>
</tbody>
</table>

4 Variables Case (First rank only)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Television</th>
<th>Refrigerator</th>
<th>Air-Cooler</th>
<th>Washing Machine</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No. of brands considered</td>
<td>No. of brands Considered</td>
<td>Mode of Payment</td>
<td>Mode of Payment</td>
</tr>
</tbody>
</table>
The analysis, using 15 variables (those used to identify the evaluation criteria), provides for determinant factor influencing the consumer behaviour for the purchase of the durable products. For television, warranty, dealer location and dealer reputation are the three most important contributors. For refrigerator, special gift, appearance, style and colour (model qualities) as a means of acquisition, and dealer reputation are the three most important contributors. For air-cooler, on the other hand, equal price, immediate availability, and special gift, are the three most important contributors. For washing machine, easy installments, warranty and dealer reputation, are the three most important contributors. Thus, the varied nature of contributors becomes apparent. Yet, dealer attributes at least appear to be a high contributor in terms of percent added to discrimination.

Using the three sources of information as variables to discriminate the samples, the linear function yields the following. Commercial source is the largest contributor to discrimination in purchase decisions of three products, viz., television, refrigerator and air-cooler, while personal source is the largest contributor for the other product, viz., washing machine.

Using four other related variables in discrimination of the samples, the number of brands considered emerges as the largest contributor in television and refrigerator while mode of payment in air-cooler and washing machines. However, in all products, mode of payment contributes consistently positive, and that is the only variable with positive contribution to the discrimination in all the products.
7.5 Conclusion

7.5.1 Information Sources

The information sources, which are used by the consumer, are divided into three sections namely (1) personal sources (2) commercial sources (including mass media) and (3) retail outlet sources. Personal sources include information from friends, relatives, and neighbors, 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 observed that the above three sources of information are mostly used by the consumers in taking decision in the purchase of durable products.

The variables taken as evaluative criteria for purchase decisions 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.

An analysis of evaluation criteria shows that the consumers opt for a good product.

7.5.2 Information Sources and Pre-purchase Behaviour

The following inferences are derived from discourse and discussion.

The commercial source has formed as an important item of exposure and effectiveness to the sample consumers.
The consumers utilized the personal sources and retail outlet sources for one to four weeks in decision-making, while the commercial sources they used more than four weeks. While scrutinizing the relationship between time and information sources, the former personal sources found to be independent, and the latter commercial and retail outlet sources proved to be a dependent factor.

The consumers have carefully planned before every purchase. So, the level of planning is considered to be a dependent factor related to all other information sources.

Most of the sample consumers have visited one or two shops or show rooms in making purchase decision, but more than two or more shops in case of retail outlet sources. The variables are dependent on each other in the samples.

Inspite of so many information sources, the consumers are drawn towards one or two brands at their final decision, but still brands are proved to be a dependent factor in relation to the three information sources.

Demographic and socio-economic characteristics are deemed to be independent variables with few exceptions like their age, sex and personal view derived from information sources.

7.5.3 Evaluation Criteria in Purchase Decision.

Out of fifteen variables, only first two factors i.e., main dimension and bipolar are necessary for the purpose of our epitome and conclusion.
Among the evaluation criteria used in purchase decision the most striking factor is "price", which stands first compared to other variables like installment, discount, prize and gift scheme. Consumers give more importance to economic development or utility in the price of television, refrigerator and air cooler.

With regard to the fourth product, washing machine, price and easy installment are the important criteria used.

The consumers also expressed their preference for goods with discount, easy installment, reputation, operational ease and service charges.

Operational ease also weighed heavily with air-cooler product rather than television, refrigerator and washing machine.

7.5.4 Determinant Factors Influencing the Consumer Behaviour

In fifteen variables case, the dealer reputation, warranty and special gift are judged to be important factors by the consumers in the purchase of all the four durable products.

In three variables case, the dealers have been rated as good determinant factor in influencing the behaviour of the consumers to buy television, refrigerator and air - cooler. But personal source is considered to be a good determinant factor influencing the consumer especially for washing machine.
In four variables case, the brand occupies a good determinant and lead to positive aspect in influencing the consumers to buy more Televisions and Refrigerators. Mode of payment also acts as a good determinant factor, influencing the consumer behaviour in the purchase of air cooler and washing machine.

7.6 Suggestions for Further Research

Based on the present study, it is felt that two major fields of research emerge for consideration of further research.

Firstly, an attempt could be made to consider the personality factors of the consumers and their relevance to the evaluative criteria. In other words, are there certain personality characteristics that influence the choice process?

Secondly, instead of finding out what evaluative criteria made a person to buy particular product, it must be worth knowing as to what made him buy that product at all when there are many other needs that are to be met. This process must help to understand how one sets his priority in using his income?

Finally, choice in the purchase of products and the buyers’ perceived value of such choices may even be looked into, in as much as choice process in the decision-making can be. Again, consumer behaviour may be studied in the context of diffusion studies wherein one could look into information sources and their impacts on consumer behaviour as well as simulating such behaviour.