CHAPTER II

REVIEW OF LITERATURE
CHAPTER II
REVIEW OF LITERATURE

Marketing is the process of determining consumer demand for a product or service, motivation of its sales and distribution of it to ultimate consumer at a profit. Philip Kotler said “Marketing is specifically concerned with how transaction are created, stimulated, facilitate and values” (1). American Marketing Association defines marketing as the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and service to create exchanges that satisfied individual and organizational objectives (2) The modern marketing starts and ends with consumer is true in all respects. Everyday, there is a feeling that marketing activities are concerned only with the flow of goods from the producers to the consumers. This concept however has changed also to include the flow of information from the consumers to the producers. Definition of the concept will facilitate the researcher to develop a frame work for further discussion on the area of consumer behaviour. With this objective in mind, other important definitions and various concepts relevant to the area of the study are reviewed.

I Previous studies about Consumer Behaviour:

Philip Kotler (1991)³ examined marketing as all activities by which a company adapts itself to its environment-creatively and profitably.

Schiff man and Lazar Kannk (1998)⁴ observed that the term consumer refers to those individual who are termed as end-users or ultimate consumers and buy the goods for final use.

J.G Gandhi (2003)⁵ explained the difference between meaning of consumer behaviour and consumption behaviour. Consumer behaviour relates to an individual person (micro behaviour), where as consumption behaviour relates to the mass or aggregate of individuals (macro behaviour).
Adrian Palmer (2004)⁶ stated that geographical segmentation has been undertaken on a much more localized level and linked to other differences in social, economic and demographic characteristics which is often referred to as geo-demographic basis.

A study by S.Jaya kumar (2004)⁷ in his thesis, “An attempt was made to assess the behaviour characteristics viz. gender, age, education, occupation, income, family size and lifestyle on the important information, communication, education and entertainment attributes of durables and after sales service. The intrinsic and extrinsic cues importance of purpose of buying and after sales service satisfaction contributing to the chosen consumer durables were duly enumerated on the basis of pilot study. The study has emphasized the behaviour of the consumers with reference to ICEE consumer durables.

Bina.J (2005)⁸ stated that marketers must carefully analyse the factors that enter into judgment and decision making and also to acquire clear understanding of which family members are involved in an acquiring decision and an appeal to all important parties.

II Previous studies about social class, income and consumer behaviour:

The study “Consumer values in product consumption pattern: A study based on income group in Madras city” was undertaken by Saker.S (1995)⁹ who examined that the consumers for the purpose of the study were classified into higher income, middle income and low income group. The result reveals that the product consumption of lower income group of consumers appears to be more influenced by their "epistemic" value and that of higher income was more influenced by their social status, Hence, the author concluded that the product consumption patterns of the three income groups (lower, middle, higher) differed according to their value organization.
Sarwada W.K. (2000) conducted a study on emerging dimensions of buyer behaviour in rural area found from the study that, the role of husband in family purchase decision in various items was comparatively less than that of the house wife. The study reveals that the family purchases for convenience of goods in rural markets were mostly done once a week and it is daily consumption, goods such as edible oil, sugar, tea etc. With the increase in real income of rural people a shift was found to have taken place in the items consumed by the rural consumers. It has been noted that “income” is the variable factor which determines the purchasing pattern. Most of the consumers from higher income group generally purchased the product which is highly popular in urban area. It is very interesting in find from the survey that most of the rural consumers are not aware of the producers of the products. Hence, the “incorporate” image is playing a very significant role in popularizing the product in rural market.

III. Previous studies about reference group and consumer behaviour:

Judith Waldrap (1990) found that marketeers are interested in understanding what product will sell well in the youth market. More over, it is important to appreciate the influence that may be more significant to most marketeers this youth’s role as the primary purchaser of certain items.

A study was conducted by Adite chatterjee (1995) to provide an understanding of the changes in personality Traits, family relationships, personal goals and attitudes to advertisement and favoured products among Indian consumers aged between 15 and 45 years.

Venkates & Morris (2000) explained that social environment may also affect people’s perception of a medium. It has been found that peers, superiors and others who are important individuals have a significant influence on his/her perception of technology.
Clement Sudhakar.J and Venkatpathy.R (2005) studied that the influence of peer group in the purchase of car with reference coimbator district and their study identified friends as the most influencing peer groups in the purchase of passenger cars. It was also found that the influence of friends for the purchase small sized and mind sized cars.

IV Previous Studies about Life Style

A study was conducted by Mrs. Santha (1996) which examined the relationship between consumer life style and perception of quality ten consumer durables such as TV, VCR, refrigerator, washing machine, Mixie, Grinder, AC, Phone, personal computer, vacuum cleaner and the attributes are chosen. The result revealed the prevalence of significant difference in perception between male and female consumers. The difference in perception is also significant among respondents with different education and income levels, the author concluded that difference in perception of quality is significant in demographic segment rather than its significance in life style segment.

Susan .D Douglas and Christine. (1997) observed that life style studies thus “build up the profiles of the consumers in terms of their daily life patterns, their work habits and leisure activities, their interests and self perceptions, their aspirations and frustrations, their attitudes toward their family’s and others and their belief and opinions about the environment around to the bonds of the demographic consumers profiles and reveals how products are used, what they mean to the consumers and how they fit into the fabrics of day to day life.

Kotler (1997) stated that “a person’s life style refers to the person’s pattern of living in the world as expressed in his (or) her activities, interests and opinions and lifestyle portrays the “whole person” in interaction with his or her environment lifestyle is therefore reflected in what a family or individual purchases. The way it is purchased and manner in which purchases are consumed, the aggregate purchases and consumption reflects a society’s total lifestyle, of a nation or country.
Poornima (2000)\textsuperscript{18} in her study revealed that among the various durables possessed by respondents, TV is highly owned, closely followed by Kitchen advertisement such as pressure cooker, mixie, wet Grinder, refrigerator and washing machine. Sophisticated Kitchen aids like microwaves, Food processor, toaster and Vacuum cleaner are least owned. It is inferred that while markets are expanding of all levels, the aspiration and need for product and service of woman in the age group of 25-45 years would be evolving and will also be different. They learn and decide faster as the information travels faster in this age group. Hence, women in this age group require a special focus, by examining their behaviour, life style and value markers can classify them and develop products or reposition of the old ones to suit the changing life style.

Rajan Saxena (2005)\textsuperscript{19} argued that Socio-economic changes are sweeping rural areas and these changes can be linked to an increase in productivity in farming. All these changes meant more income, higher aspirations and changing lifestyle in rural India.

V. Previous Studies about Purchase decision:

Lavoie Mare, (1994)\textsuperscript{20} has pointed out that need is an important determinant in the non durables consumption expenditure decision making process.

Stanton (1994)\textsuperscript{21} stated that "A consumer is an individual or organization that makes a purchase decision and finally owns the products. The decision is based on the desire of the consumers to satisfy their wants and needs.

Tolar (1995)\textsuperscript{22} has found that the respondents take stock of what non durables they have currently in their position prior to purchasing more and also consumers follow established patterns of habit when making non durable purchase.
According to Sumitha (1996) \textsuperscript{23} "All service facilities should be available under one roof". She has confirmed that total solution is widely acknowledged concept and it is not popularity. Consumers prefer to buy a product when their entire requirement is available from a single window to avoid unnecessary and intrinsic attributes was clear and strong. She has established intrinsic product attributes that signal quality and product specificity."

Chandha (1996) \textsuperscript{24} "suggested that in the Indian context there would be willingness to buy the products and services which improve the consumer's standard living.

A study on "Consumer perception and purchase decision A, study of urban and semi urban consumer durable goods" was conducted by Dr. Ravichandaran (2005) \textsuperscript{25} In his research he examined sources used in choice of marketing by the urban and semi urban population with reference to purchase of durable goods. The study was conducted with 550 sample consumers in select Chennai city, and four other towns. The products chosen were refrigerator, television, mixers, Television and ceiling fans, He revealed that urban consumers made use of commercial sources and semi urban personal sources.

An her thesis, "Consumer Perception and Behaviour: a Study with Special Reference to Car Owners in Namakkal District" Dr.S.Subadra (2005) \textsuperscript{26} attempted to examine consumer perception about the purchase and use of new cars and old cars in Namakkal district. She concluded that there are four major classes of consumer behaviour determinants and expectations, namely, cultural, socio-economic personal and psychological. The socio economic determinants of consumer behaviour consist of age, martial status, occupation, education, income and family size etc.,

VI. Previous Studies about Influence Factors to buy :

Schmitte (1997) \textsuperscript{27} argued that word- of mouth communication would be an important source of information among educated consumers.
David L.Landon and Albart.J Della Bitta(2002) stated that, purchase decision of consumers is influenced by various factors. The major factors which influence consumer behavior are culture, subculture, social class and personal factors.

VII Previous Studies about Product attribute:

Dodda S. William B. Monroe. Kent B. Greewal Dhruv(1991) explained that consumer enters a stage active information search to get product awareness. He/She tries to collect more information about the product, its key attributes, and qualities of various brands and about the outlets where they are available.

John William felix (2002) conducted a study to recognize and identify priority of the product values attached to consumer durables particularly refrigerates. The main finding was that the value of quantity depended on quality, durability, technology, economy and status. Similarly economy was found to depend on durability economy, status physical characteristics and guarantee. Durability depended on the perception of quality, durability technology, economy status and resale value. The value of physical characteristics significantly dependent on the perception of durability, availability, technology, physical characteristic and status. Technology was also influenced by quality, technologic states physical characteristic and guarantee.

VIII Consumer Satisfaction:

Zirger and Mardigne (1990) concluded that new products must provide significant value to the customer. Value can be superior to technical performance and product characteristic. All these, either singly or in combination get translated into a product that assures a greater value for the consumer.

Morries .A Hen and Han.L Lee (1990) investigated superiority after sales service can increase both first time and repeat and there by increase market share.
Tracy Benson Kirker (1994)\textsuperscript{33} has identified customer delight as the most powerful tool for achieving and sustaining competitive advantage.

Adraivi Payne (1995)\textsuperscript{34} noted the only way to change some from customer to advocate is to replace customer satisfaction with customer delight by offering service and quality that exceed expectations.

Shrimathi Ramlingam (1997)\textsuperscript{35} in her study presented a list of statements on presales and after sales service based on the variable of Gilmour and Norman. Besides, elements considered important in services and revealed in the pilot study have been included.

**IX. Previous Studies about Price**

According to Wellman (1990)\textsuperscript{36}, although price remain an important factor in the customers purchasing decision, it is sale in the form of consideration which will affect the choice of supplier.

According to Akshya and Monroe(1993)\textsuperscript{37} "both price and brand name have significant but moderate effect on buyers perception of quality, whereas store name has only a small and significant effect.

D.S.P Varma and Soma Sen Gupta (2004)\textsuperscript{38} in their article examined the relationship between the price and buyers’ perception of quality in respect of durables, semi durable and non durable products in the Indian context. The study is as follows in case of durables products, like colour television, setting the price too low will negatively affect the quality image of the product and the consumer would be reluctant to buy a low priced brand as it might lower his image in the society. Pricing it reasonable high would give the product a high quality image. For toothpaste, price-quality relationship has been found to be weak. To conclude, people perceived that higher the price of colour television the superior would be its quality.
X. Previous Studies about brand:

Krishnan (1996)\textsuperscript{39} measures association characteristics such as size, Prevalence, uniqueness and origin and examines difference between high and low equity brand on these measures. For his research he used a memory network model to identify various association characteristics underlying consumer – based brand equality. The results showed that consumer association difference uses constitution with external quality indicators and provides insights in to strong and weak area for each brand that could be used to strengthen the brand.

R. Soloman (2002)\textsuperscript{40} explained that the consumer is said to have the most favourable attitude towards LG colour television. This consumer is one who would like to buy a CTV with best quality of picture. In this context of marketing implication, it may be pointed out that diagnosis of brand strengths and weaknesses on relevant product attributes can be used to suggest specific change in the brand.

Ketalaar et. Al., (2004)\textsuperscript{41} suggested that additionally, cognitive response, and the need there in serve as an important part in the development of brand attitudes within a target consumer.

Dr. Sudarsana Reddy and Mrs. Rajalakshmi (2004)\textsuperscript{42} explained that majority of respondents were aware of brand of microwaves, mostly purchasing decision was taken by the wives, followed by wife and husband, both buyers preferred brand of products and they were ready to postpone their buying if not available. LG had occupied highest popularity among the buyers, followed by Samsung, Kenstar, Sharp, Whirlpool, Bajaj and IFB. Quality was the prime factor influencing their buying followed by brand name, price and features and after sales service. The authors suggested that the marketeers should increase the awareness level through print advertisement as its main sources of information. They have to provide quality products and build brand name.
O Cass and Grace (2004) have found that service associations influence brand attitude and associations influence intentions to use service brand.

A study by Chidambaram.K, Soundarajan.A and Alfred Mino (2004) postulates that there are certain factors which influence the brand preference of the customers while they take decision to buy passenger cars. Within this framework, the study reveals that customers give more importance to fuel efficiency than other factors. They believe that the brand name tells them something about quality, utility, technology and the like. They prefer to purchase the passenger cars which offer high fuel efficiency, good quality, technology, durability and reasonable price.

Bravo, Fraj and Martinez (2007) analyzed the different nature and effects of family influences on the dimensions of young customers based brand equity. The results shared difficult facets of how the families may affect brand awareness associations, perceived quality and brand loyalty.

Reddy and Muniraju (2009) in their article, reveal that brand is means of differentiating a company’s products or services from those of its competitors. A good brand helps a company earning premium price for their products and services, since customers prefer to buy good branded products and they will be loyal customers, brand building plays a key role in this era of globalization. There are a few companies that think how their business model can help others win too, in the process of brand building. In the near future, almost all the business firms must try to build brand by helping other wings.
XI. Previous Studies about Advertisement:

D.S. Poornanada (2003)\textsuperscript{47} stated that the media perform many functions. They provide a link to the large society and in varying degrees as senses of connectedness and solidarity. They provide information, amusement, entertainment and distraction for consumers and society. This information is related to advertisement, price, brand, new product, credit facility, discount, Service, past and present culture and system of values, tradition and the ways of looking at the world.

Ravichandran and Narayan (2004)\textsuperscript{48} in their article suggested that advertising should bring out superiority of the products and uniqueness of brand over their brands. Besides, advertisements should be given in local newspapers in regional language, with catchy capital slogan with reputed models of performance.
END NOTES
11. *Judith Waldrap* “Teens Take control American Demographic” –March-1990 p-12


26. Dr.S.Subadra (2005) "A Study On Consumer Perception and Behaviour:
   A Study With Special Reference To Car Owners In Namakkal District."
27. Schmitte, "Who is the consumer? Segment in the people’s republic of China,”
   Concept and Applications" TAT McGrace Hill, new Delhi,(4 th ed ) PP-
   3-5.
   store information an buyers perception at product quality and value” Journal
   of Marketing 28, 1991 (pp 307-319)
30. John William Felix “Consumer level of perception and experience of product
   with reference to refrigeration’s. Indian Journal of Marketing Oct 2002
   pp.6-8.
   test” Management Science” vol-7. 1990 pp.867-882
32. Morries A cohen and Han L Lee “out of touch with customer needs pare parts
33. Tracy Benson Kirker “The voice of the customer more than distant Echo”
34. Adrian Payne “The Essence of Service Marketing” prentice Hall New
   Delhi-1995 p-33.
35. Shrimuthy Ramalingam “A study on quality of product and service and
36. John H Wellman “Customer Satisfaction through Total Quality”,
   Chartwell – Bratt, publishing and training Ltd Sweden(1990) p-58.
37. Akshya R and B Monroe “The Effect at price, brand and store name on
   buyer’s parcee return of product quality”, Review Of Marketing Science
   Institute Working Paper, Report No 89-109
VIKALPA Indian Journal Of Decision Makers, vol-29 No.2 April-June-

based brand equality perspective” “International journal of Research in
Marketing vol-13 p-389-405


41. http://laurbright.com

42. Dr. sudarsana Reedy and Mrs.Rajalakshmi .D.S “Buyer behaviour of home
appliances with special reference to microwave in Bangalore city” Indian

service brand” Journal Of Product And Brand Management vol-13(4) pp-
257-268.

Preference Of Passenger Car With Reference To Coimbator City.”

The Dimensions of Young Conformer Based Brand Equity” equity young
consumers insight and ideas for Responsible marketers, vol -8 pp-58-64.

46. Sundarsana Retty. G and muniraju.M “Building brands by helping others

47. D.S. Poornananda “Media public service and the market. Third concept”
/ Indian Journal of Marketing July-2003 pp.44-52

48. Ravichandran and Narayan “Factors determining the brand preference of
/ TVS with special reference to Thoothukudi district in Tamilnadu “Indian