Conclusion

Chapter Objectives

- Discussions and Recommendations
- Future prospects
8.1 DISCUSSIONS AND RECOMMENDATIONS

THE CONSUMER DURABLE MARKET

Yes! There is a significant shift today. 15-20 years ago, it was a Seller's market. Customers had to buy what was available. There was absolutely no choice. But today, it is entirely different. It is a Buyer's market. There is plenty of choice, both in terms of brands and the items. It has helped in widening the product base of consumer durables. Also, technological changes have helped the boom in the industry.

Buying consumer durables involves investment. The choice is unlimited for the customer today. People are exposed to the western lifestyle and there is a drastic shift in their taste and preferences. Unlike a few years back, when only the father used to decide what to buy, today it is a totally different scenario. Today, it is the younger generation that keeps abreast with technological changes. Obviously they decide what to buy today. They are in tune with the latest trends in the market. Also, it differs from product to product. For household appliances like the washing machine, it is the wife who usually decides which product to buy.

The peak season for consumer durables is New Year and then comes Diwali. Earlier, it was cash and cheque payments. Hire purchase schemes were not organized in those days. There was something called the Daily collection scheme. An amount of five rupees was collected every day. Now, such a scheme is not at all feasible. Today major financial institutions are organizing hire purchase. Credit card payments are also on the rise.
As it is said earlier, the hire purchase scheme was not organized even in the 80's. Now, we have monthly and yearly and even two year plans as well. The customer has benefited immensely today. 50% of the collections is cash. The rest is split up - installment / hire purchase / credit cards.

The promotion scheme has a tremendous impact. The sale for the first half of October this year was negligible compared to the second half. The sale was almost up by 90% during the second half as Diwali was approaching. Customers these days adopt a wait and watch approach. They wait for the festivals to get the maximum advantage of various schemes.

The trend is towards the MNC's. But the Indian producers understand the needs of the consumer better. Big players like Samsung and Whirlpool are also making efforts to know the preferences of the Indian consumer. The consumer durable market is fast moving. It varies from one model to the other. Yeah! Usually everything gets sold within 7-10 days. For consumer durables, stock rotation should be fast. Else, it will be difficult to survive.

The retail market is disbursed in Durg City. As far as the retail market for consumer durables is concerned all changes take off from Bhilai. It has emerged as the main hub for entire region. The Durg market is not at all conservative as is often perceived. Customers here take informed decisions. They do a lot of survey and analysis before buying a product.

As far as the customer is the concerned, it is only the purchasing price that matters. Awareness exists as far as time saving and energy saving devices are concerned. The money the customer pays is the determining factor in the consumer durable market. Over a period of time the priorities might change.

Customer service exists; this is an area, which calls for improvement. The Consumer durable market in the region is nowhere near the standards of the one-stop shops for groceries and garments. The margins offered in the consumer durable market is less? But it might be better in the years to come.
All the major international brands are launched in this region in less than a month. Print and TV media are extensively used.

Role of Consumer Finance

- Consumer finance is the key to future market growth, since (a) the income effect (boom) of the mid-1990s is over; (b) the latent demand of the mid-1990s has exhausted; and (c) there is no more "a readymade consumer market".
- Consumer finance is taking shape with financial/banking sector reforms.

- **Growth in Financed Purchases of White Goods (per cent per annum)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>19.6</td>
<td>14.8</td>
<td>17.4</td>
</tr>
<tr>
<td>Rural</td>
<td>20.4</td>
<td>14.3</td>
<td>39.6</td>
</tr>
<tr>
<td>Total</td>
<td>19.8</td>
<td>14.6</td>
<td>23.9</td>
</tr>
</tbody>
</table>

Exhibit 8.1

Following are the important changes that have taken place within the Indian Consuming Class:

1. **Income Growth**: Between 1996-97 and 2000-01, per capita income on an aggregate basis grew by a compounded annual rate of 3.2% but high income households grew much, much faster – by about 20% year after year – between 1995-96 and 1998-99, according to the National Council for Applied Economics Research (NCAER), Upper middle income household grew by 10% on a compounded annual growth basis during that period.

2. **Affordability growth**: Supply side changes also shape a market’s and, there have been a host of them – falling interest rates, easier consumer credit. Increase in variety and quality of products and services at every price point.

3. **The liberalization children grow up**: The post liberalization generation is coming of age. This year there a 100 million, 17-21 year olds in India.
and six out of 10 households have a liberalization child. This generation which has grown up with no guilt about consumption.

4. The morphing of rural India beyond agricultures: Rural India has reduced its dependence on agriculture. A little less than half of rural GDP in form non-agriculture activities. This is creating a different kind of rural market. NCAER occupation data shows a decline in cultivators and there is enough evidence of dual sector households.

5. The rise of self employed: Rural India always been largely self-employed. But now the proportion of the self-employed in urban India has risen to 40% plus, replacing the employed salary earner as the new 'mainstream market'.

6. Environmental changes drive aspiration: Better connectivity and communication, and the literacy leap, are together increasing the aspiration of the Indian consumers at every level.

7. Plurality of income, singular mindset: When marketers were waiting for the Indian Middle Class Boom, its key trigger was expected to be a significant number of households above certain level of income, which would be the criteria for mass consumption. But Indian consumers gave the consumption push but there was not much increment in the income level. The key characteristics are:

   A) Striving: Most Indian whether rich or poor want to go ahead in hurry. From being destiny driven and resigned, they are now destination driven and striving to grasp opportunities to earn more in order to construct a better life for themselves and their children.

   B) "I can": The mindset of the Indian consumers has changed from one of the demanding social justice to one of grabbing economic opportunities.

   C) "The rise of the women": Now women are also more aware and have come out from the closed door to work out. Nearly 23% of
Indian households have working wives and that proportion decreases as income increases.

D) *Education – and health – driven*: Indian consumers are with giving their children the education and skills that will provide the escape velocity to move higher station in life. Health also is the other magnificent obsession probably because ill health adversely impacts earning ability. Education and clothing attracts the same proportion of expenditure in both the income group i.e. high and middle, but the poor probably spend more a bit more (proportionately) on medical expenses than rich.

E) *Pragmatism in consumption and preferences for ‘real value’ products and services*: In the past, marketers assumed that progress and evolution of a market meant adoption of ‘feet good’ products, susceptibility to razzle-dazzle branding, a westernized self image etc but the latest trends show that consumers are more for real, life quality improvement products and services. Indian consumer wants a visibly better quality of life for themselves and their children, described in terms of durables that make life better; education, healthcare; transportation and communication.

F) *Entertainment*: The country has traditionally been starved of family entertainment, with the only options being watching television or going to places of religious worship. But family entertainment is becoming a big issue for consumers as they try to find avenues of bonding in an era of nuclear families.

G) *Comfort with borrowing to fund future consumption*: Today the concept of EMI (equalized monthly installment) is legitimizing borrowing in other groups too, especially to fund future consumption. EMI provides a certain discipline with predictable
and planned outflows, and that is probably making indebtedness more acceptable.

H) **Comfort with consumption**: Consumption typically lags when income increases. The reason behind this could be that the country has celebrated abstemiousness for so long that it takes a supply explosion to spark desire, and then translate that desire into actual consumption.

I) **Comfort with technology**: InfoTech awareness, whether it is InfoTech power (what a computer can do solve problems or improve life) or InfoTech driven employment opportunities, has sunk in to the lowest social classes and too much of the population. It has happened through the model projects of the NGO (Non government organization) kind. And it has happened by watching the rich use it and prosper. It has also happened because of mushrooming call centers and other computer related services offering employment. As these are located in geographical clusters they get noticed and talked about. Cyber grandmas from upper middle and upper classes, who have become email literate to communicate with their scattered flock, is one example of this new comfort.

### 8.1.1 Customer Delight

Just as consumers have evolved, along with their needs, desires and aspirations, so has marketing to satisfy them. The consumer and the brand are not fixed points in fixed space. The fact that they are multiplexically dynamic persuades marketers to continually be on their toes.

**Why Delight?**

Make every customer interaction a delightful one! Follow the **MIPE** method: Meeting the stated and obvious needs of a consumer is taken for granted today. In a competitive environment it's all about being able to meet the
unstated need. Research firms and academics are coming up with some innovative techniques to understand these needs.

*Customer Delight defined*

If a product or service exceeds customer expectations, the consumer is satisfied. If the retailer can go one step further, then he can delight the customer. Customer satisfaction is imperative for the organization to survive. Customer delight can win you customers for life!

*MIME for Customer Delight*

**Measure:** It is necessary to define a measure for all aspects of service. For instance, Domino’s Pizza is passionate about its 30-minute delivery commitment. If you set up a commitment, communicate it to your customers. This would not only ensure that you comply with them but also improve credibility every time you surpass these standards. This is the stepping-stone to ‘Customer Delight’.

*Information management:* “To know me is to love me”. Personalization is the key word. Most companies collect information about their customer’s tastes, preferences and other personal details.

*Passionate about service:* A company needs to be passionate about the service it provides. It should communicate this passion to external and internal customers (employees) and imbibe customer delight in the corporate culture. This passion would first become an integral part and then a driving force for stupendous results.

Crosswords, has a prominent poster that says “Yell if you need help!”

*Employee as a central character:* For every customer the interaction point with the organization is the employee. This interaction makes or breaks any further relationship. So, it becomes imperative for every employee to be informed, trained and empowered to take ownership and initiative to deliver customer delight.
*Measure all aspects of your service.
*Collect information about your customers and use it to establish relations.
*Imbibe passion for excellence in service amongst employees and communicate it to customers.
*Inculcate a sense of ownership and empower employees to take the initiative to deliver high quality service.

Customer Delight can be effectively achieved in retailing if the marketer takes the right initiatives. Whatever the method, it is clear that researchers are going to ever-greater lengths to get closer to the consumer. The results of such research will be crucial to give marketers an edge over their competition.

8.1.2 A Model for Integrated Marketing

Integrated Marketing Communication is more than the coordination of a company's outgoing message between different media and the consistency of the message throughout. It is an aggressive marketing plan that captures and uses an extensive amount of customer information in setting and tracking marketing strategy. Steps in an Integrated Marketing system are:

1. Customer Database: An essential element to implementing Integrated Marketing that helps to segment and analyze customer-buying habits.
2. Strategies: Insight from analysis of customer data is used to shape marketing, sales, and communications strategies.
3. Tactics: Once the basic strategy is determined the appropriate marketing tactics can be specified which best targets the specific markets.
4. Evaluate Results: Customer responses and new information about buying habits are collected and analyzed to determine the effectiveness of the strategy and tactics.

5. Complete the loop; start again at #1.

8.1.2 (a) 4 P's vs. 4 C's

- Not PRODUCT, but CONSUMER.
  Understand what the consumer wants and needs. Times have changed and you can no longer sell whatever you can make. The product characteristics must now match what someone specifically wants to buy. And part of what the consumer is buying is the personal "buying experience."

- Not PRICE, but COST
  Understand the consumer's cost to satisfy the want or need. The product price may be only one part of the consumer's cost structure. Often it's the cost of time to drive somewhere, the cost of conscience of what you eat, and the cost of guilt for not treating the kids.

- Not PLACE, but CONVENIENCE
  As above, turns the standard logic around. Think convenience of the buying experience and then relate that to a delivery mechanism. Consider all possible definitions of "convenience" as it relates to satisfying the consumer's wants and needs. Convenience may include aspects of the physical or virtual location, access ease, transaction service time and hours of availability.

- Not PROMOTION, but COMMUNICATION
  Communicate, communicate, communicate. Many mediums working together to present a unified message with a feedback mechanism to make the communication two-way. And be sure to include an understanding of non-traditional mediums, such as word of mouth and how it can influence your position in the consumer's mind. How many

-------------------

276
ways can a customer hear (or see) the same message through the
course of the day, each message reinforcing the earlier images?

8.1.2(b) **Perception vs. Facts**

In an age of increasing information overload, the consumer has
developed a coping mechanism to deal with the amount of information being
received. There is increasing evidence that customers and prospects are
basing most of their purchasing decisions on what they perceive to be
important or true (or what they think is right or correct) rather than on solid,
rational, economically derived information. To the consumer, perception is
truth. A perception may not be correct, but it is what they know, and what
they know is all they need to know. This new "sound bite" approach to
gathering marketing information demands that a marketer's statements about
products or services must be clear, concise, consistent, and comprehensible
through all forms of communication or the consumer will simply ignore them.
Any minor inconsistency that does not match the existing "mind map" and will
be ignored.

8.1.2(c) **Information Processing**

Key to effective communication understands how consumers process
the vast amount of information that comes their way each and every day. To
cope, we select only that information that we perceive to be important and
ignore the rest. Thus, we limit our span of perception as a way of coping. If
the marketing message is to be selected and processed, it must:

1. Consist of sensory and life experiences that can easily be identified
   and transformed into a unified concept,

2. Have mental relationships to other categorized ideas, and

3. Fit into the categories and mental linkages that people have already
   created for themselves.

Marketing communication messages that are not recognizable, are not
related to each other, conflict with what has already been stored, or are
simply unrelated or unimportant to the person will simply not be processed,
but ignored. Communication only occurs when the consumer accepts, transforms, and categorizes the message. The storage and retrieval system works on the basis of matching incoming information with what has already been stored in memory. If the information matches or enhances what is already there, then the new information will likely be added to the existing concepts and categories. If it doesn't match, the consumer has to make a choice, either the new information can replace what is already there or the new information can be rejected. If rejected, the consumer would continue to use existing concepts and categories and ignore the new. This is called a "judgment system" in that consumer's match or test new information against what they already have and then make a judgment to add to, adapt, or reject the new material. When consumers reject the information or do not add or attach it to what they already have, there is a failure to communicate. In many cases, the failure to communicate is the result of the marketer being unable to match his or her messages or fields of experience with those of the prospect or customer. Consumers use the same information processing approach whether the new data comes from advertising, sales promotions, a salesperson, an article in a newspaper or magazine or from what their neighbor is telling them. The marketer who presents non-integrated messages risks not having any of his or her messages processed because of the conflict that occurs in the consumer's information processing system. If for no other reason that the risk of confusion, marketers must integrate their messages or consumers will simply ignore them.

8.1.2(d) Chunking and Networks

Concepts are not isolated units. They are networked together into what we call categories. These groups of concepts are not only made up of chunks of information, but then in turn are also networked together in conceptual relationships. Key to understanding the relationships is understanding the cultural and life experiences that have created the existing network of information chunks that exist in the consumer's head.
8.1.3 Models of Information Processing

Two models of information processing have been proposed:

1. The replacement model assumes that it is possible for the marketer to "replace" previously stored information chunks with new ideas. What is said does not matter as much as how often and how loud the message has been transmitted. With enough exposure, the new will replace the old.

2. The accumulation model of information processing assumes that message consistency is critical since the consumer accepts, processes, and stores information about the product or service relative to what has already been mentally accepted. The judgment system (perceptual consistency) prevents consumers from having multiple concepts or categories for the same message. Information that does not fit is rejected and not filed. That being the case, the need for Integrated Marketing Communication is not only needed, but critical to marketing success.

8.1.4 A model in brief that talks about different types of consumers and their evolution.

CONSUMER - the term as we know it has been constantly evolving in the marketing mind. So who is the consumer of the 21st Century?

According to the marketers:

- Person + The Act of Purchasing Goods & Services = CUSTOMER
- Person + The Act of Purchasing Goods & Services + The Act of Self-Consumption = CONSUMER

After the present research study the above model modified and rewritten as below:

- Person + The Act of Purchasing Goods & Services = BUYER
- Person + The Act of regular Purchasing Goods & Services + from fixed POINT of sale = CUSTOMER
\* Person + The Act of Purchasing Goods & Services + The Act of Self-Consumption = CONSUMER

The consumer has evolved through the six stages due to the historical developments in marketing and advertising:

- The Marginalized consumer
- The Statistical consumer
- The Secretive consumer
- The Sophisticated consumer
- The Satellite consumer
- The Multi-headed consumer

The Marginalized consumer: In the authoritarian model, consumers consume what manufacturers produce. Manufacturers feel that they know (better) what the consumers should buy - a typical seller's market, where even the quantity of goods that should be bought by consumers is apportioned.

The Statistical consumer: During the late 1950s, the focus in the market slowly shifted from sellers to buyers. The importance of gauging consumer information gathering and needs became the norm. The information however was collated and judged based on the law of averages. This revealed the desires and wants of an average consumer, which was incorrect because no two consumers are the same. The marketer tended to use economic criteria to arrive at the price. Rationality was thought to be the deciding factor. Again untrue!

The Secretive consumer: The secretive consumer had many hidden motives that had to be uncovered and it was the marketer's job to find out his attitudes, behaviour and aspirations. Marketers used psychoanalysis, sociology and social anthropology to understand more about the 'why' 'what' and 'how' of the consumer. Consumer behaviour and psychology became the tool used by marketers.

The Sophisticated consumer: Towards the end of the 20th Century, emerged the modern consumer - sophisticated who appreciates the finer
aspects of life. He is fond of advertising and responds to commercials in an enthusiastic manner. A case in point is that of Café Coffee Day outlets which have become a success in South India. People frequent them not just to consume coffee but also savour the experience, and they don’t mind paying for it.

The Satellite consumer: With the growing importance of the consumer, brands are being built around them. It is apt to term the consumer as a moon around which the brand - like a satellite - revolves. Marketers focus on the brand strength and brand proposition, building brand equity in such a manner that the consumer feels the gravitational pull of the brand and is drawn towards it. A classic example is that of Surf Excel, which was developed keeping in mind the consumers’ unmet needs. It positioned its ad in such a way that consumers couldn’t resist trying it.

The Multi-headed consumer: According to the Need-States theory (Wendy Gordon), there is a greater need to study the choice pattern and influences and other differences when the same consumer makes different brand choices on two different occasions. It all depends on the environment, mood, and money at the consumer’s disposal.

8.2  THE CHANGING NATURE OF MARKETING (FUTURE PROSPECTS)

Marketing and the marketing communications mix are changing. New insights, new tools, new opportunities and new challenges are emerging as the 21st century progresses. The world’s 60 billion consumers and almost 400 million business customers are becoming increasingly accessible. And so too are your customers ready targets for new global competitors. New pressures also emerge as managers operate in delayered organizations, stripped of supporting services and yet freed from the quagmire of tier upon tier of management. This means more managers need to understand marketing which, itself, is changing.

Marketing has moved from ‘customer acquisition’ (winning new customers) through ‘Customer retention’ (keeping customers for life) towards
many challenges due to a spiralling media inflation, increased audience fragmentation, heightened commercial clutter and greater advertising restrictions.

In the process of brand-building, one needed to maintain a fine balance by keeping the brand contemporary and not losing sight of its core values. The three speakers at the 'Brands - Anti Wrinkle Formula' session of the summit arrived at this consensus while talking about the reasons why some brands had held ground while others had lost out.

"Marketers are often not connected with the consumers. They need to understand their needs and anticipate changes before they rose to reposition a brand before it was too late," said Kamini Banga, managing director, Dimensions Consultancy Pvt Ltd, at the session on brands. Agreed Adi Godrej, chairman, Godrej group, who said it was very difficult to rebuild a brand. "One should be in a position where the peak of brand performance is still to come," he said.

8.2.2 Intelligent Consumer Behavior

Intelligent consumers have the following characteristics:

1. They seek reliable sources of information. They are appropriately skeptical about advertising claims, statements made by talk-show guests, and "breakthroughs" reported in the news media. New information, even when accurate, may be difficult to place in perspective without expert guidance.

2. They maintain a lifestyle of very high order. This reduces the odds of becoming seriously ill and lowers the cost of health care. Prudent consumers avoid tobacco products, eat a balanced diet, exercise appropriately, maintain a reasonable weight, use alcohol moderately or not at all, and take appropriate safety precautions (such as wearing a seat belt when driving).

3. They select the product with great care.

4. They undergo appropriate screening tests and, when illness strikes, use self-care and professional care as needed. Excellent guidebooks are available to help decide when professional care is needed.
5. They communicate effectively. They present their problems in an organized way, ask appropriate questions, and tactfully assert themselves when necessary.

6. When certain problem arises, they take an active role in its management. This entails understanding the nature of the problem and how to do their part in dealing with it.

7. They understand the logic of science and why scientific testing is needed to test and to determine which theories and practices are valid.

8. They are wary of treatments that lack scientific support and a plausible rationale. Most treatments described as "alternative" fit this description.

9. They are familiar with the economic aspects of product value. They obtain appropriate insurance coverage; inquire in advance about professional fees, and shops comparatively for and other products.

10. They report frauds, quackery, and other wrongdoing to appropriate agencies and law enforcement officials. Consumer vigilance is an essential ingredient of a healthy society.

8.2.3 EXPLORING CONSUMER NEEDS

Marketers in recent times have realized the importance of marketing orientation, and this is being reflected in the application of marketing mix elements. Consumer needs are fundamental to the formulation of any marketing strategy, from developing a communication plan to offering a discount sale. It may be worthwhile to explore the intricate aspects of consumer behavior, which focus on 'consumer needs'. These concepts enable marketers to analyze the applicability of strategies planned by them to recognizing consumer needs.

Need at a fundamental level is a 'state of deprivation'. In today's marketing context, however, the meaning of the word 'need' is very broad based and could include anything from buying a value-based detergent to aspiring for a designer outfit which has an aura of prestige. In any situation,
the task of the marketer is to recognize two basic states of the consumer psyche, which will have relevance to his or her need—the actual state and the desired state.

<table>
<thead>
<tr>
<th>Actual State</th>
<th>Contributing Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>An urban nuclear family --- Husband and wife working,</td>
<td></td>
</tr>
<tr>
<td>Struggling to cope with --- different timings, problem</td>
<td></td>
</tr>
<tr>
<td>Washing clothes --- of getting reliable maids, etc</td>
<td></td>
</tr>
<tr>
<td>Desired State</td>
<td>Washing Machines ---- non-dependence on outside help, anytime and easy usage, dependable, reasonably good washing</td>
</tr>
</tbody>
</table>

Recognition of these two states leads to the recognition of the need. The discrepancy between the two states helps the marketer to focus on consumer needs. Two decades ago, the actual and desired states may not have existed with regard to washing machines (though, even today, the penetration of washing machines is not high). Recognizing the 'need states' (the two states) helps the marketer to also know if the timing is right for a specific product. If there is no discrepancy reflected (among the states) by consumers, the marketer may have to either wait for the product to be launched or create awareness about the actual state and desired state.

**Actual and desired states—certain considerations:**

Research could provide insights into the specific aspects of 'states'. A desired state need not necessarily involve a very specific benefit (as stated earlier). When there is a proliferation of brands or when two strong brands compete strongly in a non-durable market (eg Coke Vs Pepsi), the desired state could just be an extension of the brand personality. Pepsi's recent commercial, involving a well-known celebrity, projects a 'young, popular,
lively' state, which could be associated with the desired state. Though a soft drink is not a habitual product for most people (except maybe a small cross-section), the association of the demand could trigger off 'the desired state' whenever the consumer feels a need for a soft drink. Liril, Raymond and Videocon (the 'Supermarket' refrigerator model commercial) are examples of marketing communication, which have made a good attempt to create a 'desired state' by combining functional and/or emotional benefits.

**Problem recognition and ‘uncommon’ product or service categories**

‘Uncommon’ product/service categories refer to product or service categories which may not be in the mindset of consumers on a day-to-day count. These include insurance services; antiseptic lotions, air-fresheners, raincoats and after-sales service contracts for household appliances and electronic equipment (especially when reliable service is difficult to obtain). New India and United India in the insurance sector are currently projecting these needs through TV commercials. Antiseptic lotion is not a frequently bought item and brands can trigger 'need recognition' by point-of-purchase posters.

After-sales service is an area, which offers wide scope for marketers to leave a lasting impression on consumers, but this is unfortunately an area where a number of companies fail to deliver the goods. Brochures are provided by almost all reputed brands of televisions, fridges, cars and other durables. Brands could also provide additional information on types and conditions of breakdown (number of hours of usage, types of major and minor breakdown) to create awareness of specific problems so that consumers are able to visualize these situations and recognize the problems. This would also motivate the consumers to interact more frequently with the marketers (dealers or manufacturers).
Types of problems that consumers experience

As a sequential approach, analyzing consumer states leads to types of problems which consumer's experience. While the 'states' help in recognizing problems, may be useful to marketers in the identification of problems. After-sales service is an area, which offers wide scope for marketers to leave a lasting impression on consumers, but this is unfortunately an area where a number of companies fail to deliver the goods.

Problems can be classified into active and inactive problems. An active problem is one, which the consumer is aware of and an inactive problem is one, which he or she is not aware of. Ceasefire, the mini fire extinguisher brand, created awareness about problems associated with different kinds of fire. It brought out the fact that different kinds of fires require different gases. This is an inactive problem. A brand of electric shaver could create awareness about the negative aspects of conventional blade-based shaving and activate a 'problem' that is inactive for many men. An active problem involves convincing consumers about the superior nature of the brand. When consumers were very much aware of the increasing costs of petrol, Hero Honda convinced them of its superior offering.

Consumers' priority and nature of recognized problems

How consumers respond to the strategies of 'actual' and 'desired' states would depend on two important factors:

1. The magnitude of discrepancy between the desired and actual state:
A new dimension to scooter brands is the introduction of the four-stroke scooter. If fuel consumption is a vital evaluation criterion of a prospective consumer (maybe even in the replacement market), the 'desired state' in terms of fuel economy should be significantly higher in a four-stroke scooter for the consumer to consider the new offering, especially given the fact that the updated version of the product will cost a few thousands more than conventional scooters. The magnitude aspect becomes important when brands offer new benefits to gain an edge over competing brands.
2. The relative importance of the problem: A consumer owning a two-wheeler may like to own a car which may be his 'desired state' of satisfying a 'transport' need. But given the 'priority hierarchy' in the mind of the consumer, he may attach very little importance to buying a car. In the Indian context, generic competition (where the purchasing power of consumers competes for a number of categories) is an important aspect. While the consumer may be interested in several product categories, he may prioritize television as a priority buying item. The consumer durables could make use of this aspect by creating 'an immediacy of purchase' around specific products. The microwave oven is one category, which has been around for almost a decade, and this approach may be very applicable to it (though the benefits of the product may not be sufficient to create an impending desire to own it).

*Actual and desired states are dynamic*

Marketers should note that the 'states' regarding needs are not static. As individuals go through family life-cycle stages, differing earning capacities and lifestyles, the states keep changing and this is one of the reasons why marketers offer an updated product line to hold on to loyal buyers. The entry of Raymonds into readymades (Park Avenue) and updated models of Maruti are examples of catering to changing 'desired states' apart from competing with new brands. It is essential to have a 'pioneering lead' to cater to changing 'desired states'. Park Avenue entered readymade wear much before other brands. LML Vespa marched ahead of Bajaj to cater to the changing 'desired states' of consumers.

'Product analysis' is a technique, which could be used by marketers to identify the 'problem recognition' aspects concerning consumers. It involves researching how consumers purchase or use a product.

As brand differentiation becomes a difficult proposition to achieve over a period of time, brands will be forced to concentrate on exploring consumer needs. Examples of product categories where brands could create awareness on actual states
<table>
<thead>
<tr>
<th>Product</th>
<th>Communication on desired state</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Air-purifier</td>
<td>---</td>
</tr>
<tr>
<td>II Home Computers</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>ILL effects of polluted air</td>
</tr>
<tr>
<td>(for children)</td>
<td>Importance of computers in future</td>
</tr>
<tr>
<td>III Cooking ranges</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Timeliness, simultaneous cooking</td>
</tr>
</tbody>
</table>

8.2.4 **SUMMARY**

**BASIS OF SEGMENTATION AS PER LIFESTYLE**

- High life style respondents are those use branded products, have a four-wheeler, and regularly visit restaurants or hotels.
- Medium life style respondents are those who possess two factors that is use branded product, have two wheeler and visits restaurants regularly.
- Lower life style respondents who possess one factor or don’t possess any factor.

**Findings at the time of survey**

**URBAN**

- Most of the respondents were having old refrigerators, which they are expected to replace with new one. Thus it is expected to increase the sale of refrigerators.
- Local audio systems and VCD is gaining popularity, as per people they give value for their money, as per small distributors there is a good growth for the local product especially of SANTOSH. SANTOSH is gaining popularity in lower middle class and middle class segment.
- Rather than branded Mixie, local mixers are most popular.
- Authorized dealer play in important role in decision making for the purchase of durables.
• Exhibitions play an important role for influencing customers mostly for Home appliances.
• Brand Sony is popular in Group A & LG, Samsung in Group B and Nokia in Group C.
• Assembled computers are more popular than branded products.
• Audio Visual media is the most popular media for advertising.
• Children's play a decisive role in decision-making.
• Women decide purchase of Home appliances like fridge, mixie, and washing machine mostly.
• T.V Audio system, computer is decided by children, and children r mostly influenced by the products their friends possess.
• Old people above the age of 50 mostly prefer the brand or product that have a report in the market, mostly they don't purchase that are new in the market they mostly play role of laggards, where as new generation purchase goods as per trend.
• After sale service given by the dealer plays an important factor for next purchase.
• Prizes and Gifts also influence customers, but customers mostly prefer cash discounts, customers also like zero percent credit.
• As per the respondents exchange offers are good but they don't get that much price which they can get by selling goods by themselves.
• Gifts that are provided with the product should be related to the products like if the VCD is given with T.V, its good but gifts should not be like frying pan or a bag with T.V.
• There is a huge demand for exchange of old computers with new one.
• Price is the most important factor that affects the purchase decision, whereas Trend is the least.
• Vacuum cleaner is the product, which consumers have bought but they don't use, now as it's handling is not easy, they use in 2-3 months.
• Advertisement is the marketing communication, which mostly influences the customers, but they don't purchase the product by merely viewing the ads, ads only make customers to go and see the product, after that Price and Features play an important role.

• Recall of ad is very poor among respondents they mostly recall ads of car, or mainly funny ads.

• As per the respondents they mostly don't purchase those goods the ad of which they like most, but in case of mobile phones ads trend and recommendation plays a decisive factor for purchase.

• Majority of the respondents purchase goods in cash or credit, out of these customers prefer cash payment they only go for credit if the goods price is more than 20k-25k.

• Customers by their friends or in exhibitions, and sometimes by sales representatives mostly know knowledge of the product.

• Consumers mostly prefer to purchase goods in festive season due to discounts and offers and also a major reason is the bonus provided by BSP and other private companies.

• Mainly customers prefer cash availability for purchase they don't like to take credit for durables.

• Some shopkeepers maintain accounts of consumers in which they make customers deposit 100 to 200 Rs monthly in their respective accounts for a year and they can purchase goods of the amount they have deposited. The shopkeepers use lucky draw method in which if customer's names come in the draw then he will not have to deposit the remaining amount and can purchase goods of total amount, which he would have deposited in that year.

RURAL

• The respondents of rural area want to extend the life of their product, they purchase the product only if the old product gets obsolete.
• The respondents comes less into the contact of AD’s and their purchase decision is based on recommendation of their friends and relatives
• The purchase of durables is done from the seconds shop or the dealers based in their village.
• The respondents purchase the products from town if they have some base i.e, their relative’s lives in that town.
• The market of branded products is much less, people purchase branded products only if there relatives or children living in town suggests.
• The market for group and group c product is very less
• Price is the factors, which mostly affect the purchase decision.
• Purchase is done through cash and savings credit is least preferred by villagers
• Children’s and relatives mostly affect the purchase decision
• Local company products are in great demand due to their price and durability
• There is a huge demand of MP3 And VCD players.
• Technology is least preferred what is the trend in village affect the decision.
• Discounts is best way of promotion strategy to influence customers.
• Word of mouth publicity either by friends or authorized dealer mostly influences the customers.
• Purchases is also done in meal’s (exhibition) held in villages
• Ad’s in newspapers radio banners are the most effective way of communication in village
• Rather than purchase of durables respondents spends money in vehicles, it may be bike or commercial vehicle.
• FMCG products of all companies are available but it's not the case with durables only product's, which are less in price, have a good market.
• A gift also motivates the customers to purchase the product.

Findings after tabulation of the data.
• Mostly the influencers are relatives and children.
• Initiators are mostly children, and for group B type product housewives.
• Deciders are mostly the earners in the family.
• Customers mostly prefer discounts, followed by free services, credit facilities and exchange offer.
• Consumers for purchase mostly prefer cash.
• TV ads mostly influence the customers.
• Product utility mostly motivates the consumers for purchase followed by advertisement then by promotion.
• Consumers prefer to purchase the product only if cash is available with them that are why they prefer to purchase in festive season due to bonus and other discounts.(increase in disposable income)
• Features and Technology are the most important factors that affect purchase decision of respondents having high life style followed by Brand, Price and Trend.
• Features and Price are the most important factors that affect purchase decision of respondents having medium life style followed by Brand, Technology and Trend.
• Respondents make their purchase through cash only inspite of having different life style, respondents of low and medium lifestyle sometimes purchase through savings and credit also, but they mainly prefer cash purchase.
• Advertising is the major motivating factor for purchase decision, after sale service, exhibition and direct selling also plays an important role but not as much as advertisement.
• Price is the major factor for purchase decision for all segments that is as per age, income, profession, and lifestyle.
• Recall of ad is very poor, the respondents are motivated through ads but they don't usually purchase those product whose advertisement they like most.
• They recall funny ads and ads having some renowned brand ambassador associated with the product.

RURAL
• Discount are most influencing factors for purchase in rural areas, respondents in rural don't prefer credit purchase but they given credit facility as the second important factors that influence purchase decision.
• Initiators are mostly children's, and influencers are friends and relatives.
• Deciders are mostly the elder member or those who earn in the family.
• Saving and cash are the mode of purchase in rural areas.
• Respondents purchase product only if they have cash available with them, they also purchase in festive season through mela, an important point is that the respondents mostly purchase product only if the old product gets obsolete.
• Price is the important factor for purchase decision followed by features.
• Purchase is made mostly through dealer, friends shop, and seconds shop.
• Product utility is the most motivating factor for purchase.

8.2.5 IMPLICATION FOR RESEARCHER
Some important areas that need to be investigated are:
1. Changes that occur in decision making of children from different age groups simultaneously.
2. Measurement techniques: Significant differences have been observed in self-report (individual as well as combined), observational measures, and outcome measures.

3. The interplay between variables and their confounding effects on each other. The focus on the family as a group, therefore suggests reorientations of many theories and methodologies proposed earlier. The most suitable method for investigating families has still to be validated.

4. Features peculiar to the Indian marketing environment such as the joint/extended family system, the dowry system, mass rural markets and so on.

Families as consumers display certain homogenous characteristics irrespective of who their members are. All the purchase decisions, whether for buying a product for personal consumption or for common use, ranging from which brand to be purchased, in what quantity, how often, and from where to purchase, entail the playing of different role to be played by any Indian consumers varies according to the use of durables, consumers lifestyle, the personality of the individual member, and his relationship with other members, as also the nature of the product bought. The marketer must, therefore, take the family in to consideration while framing his marketing strategies.

*The Importance of Studying Consumer Behaviour and IMC as a Critical Area of Marketing.*

If we accept the view that marketing in the broadest sense is about placing the focus of any business venture onto the consumer, then undoubtedly studying consumer behaviour becomes a necessary prerequisite to improved marketing practices. At a time when competition within markets, among businesses, products and brands is resulting in a greater shift of market power and choice to consumers, it is extremely important to
understand consumer behaviour and what influences it. Conversely, an impoverished understanding of consumer behaviour and IMC would lead to business failure and more broadly, negative productivity, economic and socio-political consequences.

It is expected that this subject will increase your understanding of the role of marketing, in the context of consumers' purchase and consumption decision-making. As Atticus Finch in Harper Lee's novel "To Kill a Mockingbird" observed, "you never really understand a person until you consider things from his point of view – until you climb into his skin and walk around it". Marketing managers clearly can only reach their customers if they know the secret of what makes them tick. Correlation between IMC and Consumer behaviour provides glimpses of this secret, by allowing it to delve deeper into the exogeneous and endogeneous influences that influence consumer purchase and consumption decision-making.

************

REFERENCES:

2. This section has been influenced by Integrated Marketing Communications by Schultz, Tannenbaum, and Lauterborn.
3. Further references refer page no. 309 of the present thesis.