CHAPTER 1
INTRODUCTION

1.0 INTRODUCTION

‘Well-being’ is an affirmation of optimism and contentment in all spheres of life. It is the foremost objective of everyone’s meaningful existence. From formative years to prime of life, everyone yearns for physical, financial, emotional and psychological well-being. The importance of well-being is apparent from the fact that most of the nations have been focusing on development of a manifestation that could expound the level and cause of well-being of their residents. The conception of the notion of happiness has been marked to encompass objectivity as well as subjectivity that make it a multidimensional concept. Consumer well-being forms an important construct of overall well-being (Diener et al., 2010a, 2010b; Sirgy et al., 2010; Burroughs & Rindfleisch, 2011). Where increasing the resident’s well-being is the primary duty of the authorities of nation, the increase in consumer well-being is the matter of challenge for the marketers.

The significance of concept of consumer well-being is perceptible from the affectedness with which most of the nations have been working and concentrating on enhancement of happiness of their inhabitants. Consumer well-being is essential for overall well-being of an individual. It forms one inimitable pillar of overall well-being (OECD, 2013). The recognition of significance of consumer well-being for survival makes it imperative for marketers to discover and identify the methods of increasing the satisfaction of the customers. The extent to which one can delight the customer depends not just on how well one is aware about the target customer’s needs and wants but how well one can recognize and comprehend the psychology of the consumer to address the needs and wants in such a manner that increases their well-being. Understanding the consumer well-being is imperative to the study of consumer behaviour and is part of analysis and research since consumer research has been initiated.

In today’s customer oriented market, bringing consumer’s happiness and attainment of consumer’s satisfaction has been recognized as the most important objective. Satisfaction of consumer is the primary goal for marketers in present competitive market (Angelova & Zekiri, 2011; Dawar, 2013). To investigate what makes consumer happy and increase their
well-being, plenty of exploration is taking place. The major aspect that has been considered in current study is the factors that determine consumer’s satisfaction level and how much importance one gives to material goods and the money related behaviour. Growing love for material objects together with transitional role of money in carrying out spending and consumption affect the way one gets fulfilment.

1.1 BACKGROUND

The consumer well-being is the satisfaction that comes from consumption. Enhancement in satisfaction from consumption increases consumer well-being (Beckerman, 1974; Begg et al. 2003; Friedman, 2006). Researchers have conducted large number of studies in western countries to understand the factors that affect the well-being of consumers. They have studied the scope of these factors in making a consumer happy. Huge amount of investigation is taking place to recognize the determinants of happiness of a consumer and degree of role played by them.

In this competitive milieu, there is undeviating focus on consumer well-being. The evolution from production concept to the marketing concept has made it imperative for any business concern to swot consumer’s needs and wants, to be a player in the market. Earlier marketers were concerned with the placement of their product in such a way to attract more consumers to their product and increasing the scope of their product sale by widening the prospective consumer base for their product. Gratification of materialistic attribute of consumers has now become a gizmo for marketers. Marketers fascinate consumers by pleasing their acquisitive and avaricious pursuits for worldly possessions. Marketing activities have been usually disparaged for encouraging materialism and consumerism. It impinges directly on economic, social and cultural aspects of the social order. It is important for marketers to understand the factors that determine consumer purchase decisions and plan their policies and product in order to increase consumer’s well-being.

The materialistic tendencies of an individual and his attitude towards money predict his spending and consumption pattern, which fosters the level of happiness and consumer well-being of an individual (Tatzel, 2003). The attempt has been made to explicit this vagueness by congregating these aspects of consumer behaviour during purchase and use of car. One’s emotional frame of mind and the approach towards money gets manifested by the car one drives and how one spends (Hallowell & Grace, 1989; Bergheim & Schneider, 2006).
Number of studies pertaining to materialism, money attitude and consumer well-being has been conducted to understand what factors and to what extent are responsible for variation in the well-being of the consumers. The consumers spending and consumption decisions are enthused by their mental set up and behavioural motivational factors. The materialism and money attitude are two major determinants of customers purchase decision. The cognitive set up of consumer forms his attitude towards money and level of materialism act as the motivational factor. The purchase and consumption decision depends on the degree of interaction between money attitudes and materialistic values, which ultimately brings contentment and discontentment (Tatzel, 2002). This study analyses the impact of materialism and money attitude on consumer well-being of car consumer. Thus, whether the purchase and consumption of a product is going to increase his well-being (by providing satisfaction) or is going to reduce his well-being (by bringing dissatisfaction) depends on the interaction of materialistic values possessed by consumer and his attitude towards money.

1.2 RATIONALE OF STUDY
Since last few decades, the humankind has gone through an extensive globalization, which has influenced the society and culture in huge way. The dynamism of economic and social environment has put fourth various indeterminate issues before marketers in terms of factors shaping buying and spending decisions of consumers. The basic assumption of consumer behaviour theory is that consumer always wants to maximise his satisfaction. Consumption of goods and spending of money have been related to happier living (Larsen et al., 1999). The consumer makes purchase decisions in order to maximize his satisfaction level and this increase in satisfactions increases the level of his well-being (Ryan & Deci, 2002). The consumers spending and consumption decisions are enthused by their mental set up and behavioural motivational factors. The purchase and consumption decisions depend on desire for material goods and willingness to spend. The purchase made affects the well-being. As per theory of consumer behaviour a customer make purchases to facilitate consumption and this consumption increases or diminishes well-being. The consumer’s attitudes towards money and towards materialistic things beget purchase and consumption (Tatzel, 2002). The purchase and consumption decision depends on the degree of interaction between money attitudes and materialistic values, which ultimately brings contentment and discontentment.
Buying decisions depend not only on materialistic tendencies but also on the inclination of consumer as far as spending are concerned. The level of materialistic tendencies also affects the money attitude of a person. An attitude towards anything depends upon a belief that one forms about that particular thing due to his experiences and situations in life. The attitude once developed, affects the decision making style of an individual. The money attitude developed by an individual would influence his spending habits. This is where the study of materialism and attitude towards money in relation to consumption decision are the means of influencing consumer’s well-being. Given the materialistic values and money attitude, this study is an investigation of how the individual take consumption decisions in order to increase his well-being. The consumer well-being derived from consumption depends on valence of consumption activity. Positive consumption brings more happiness to experiencer as compare to materialistic person and on the other hand, negative consumption brings more happiness to materialistic person than an experiencer (Nicolao et al., 2009). Thus, this study is an attempt to analyse this interaction of materialism and money disposition as a stimulus for car purchase and use.

Individual’s shopping decisions depend on the internal as well as external stimuli but for an individual seeking social acceptance gets stimulated more by external stimuli rather than their own judgment and moral fibre. People who are materialistic have mental pressure to make their purchase for social display. Materialism depicts the dark side of consumer behaviour (Hirschman, 1991; Baumeister et al., 1998; Shiv & Fedorikhin, 1999) that moves opposite to the personal and social well-being. There are studies that established the negative relationship between materialism with consumer well-being (Richins, et al. 1992; Eastman, et al. 1997; Hudders & Pandelalaere, 2012; Podoshen, & Andrzejewski, 2012; Roberts, et al. 2015; Ferrandi, et al. 2015). As far as consumption assessment is concerned, consumption decisions of an individual are stimulated by his materialistic values. Materialistic individuals have tendency to search continuously for a superior and more luxurious belongings than what they currently possess. Materialism is an important factor that influences choice of consumption (Rindfleisch, et. al., 2006). The research has also shown that there is a direct and considerable relationship between money attitude and consumer buying behaviour and as the power/prestige money attitude of an individual becomes stronger, the consumer advances towards the materialistic purchase behaviour (Wong, 2004) that goes against the consumer’s well-being. But following the same pattern of money attitude and consumption behaviour, as
consumer’s distrust and time retention money attitude becomes prominent; his purchase becomes less materialistic and limited. This shows that people with different money attitude depict different purchase decision depending on the level of materialistic values they possess. Individual’s behaviour and lifestyle affect the purchase decisions (Liou, 2009). Various studies have been conducted that confirm the increasing materialism in the western countries (Belk, 1985; Belk & Pollay, 1985; Friedman, 1985; Burnett & Bush, 1986; Belk & Zhoh, 1987; Radin, 2002). Globalization has carted off the immunity and consumerism of western countries has transferred to developing and emerging economies. It has influenced the social, economic and ecological disposition of social order (Chindris-Vasioiu, 2013). Increasing consumerism in India has changed the shopping style and purchase decision criterions of consumers. In this dynamic situation, marketers are always looking for answers to questions like why people from different spheres splash out on material goods; purchase, acquire and make use of them, and then dispose them off (Tanner & Raymond, 2012). A person with high materialism, lose money behaviour tend to be the most desired target for any marketer.

The consumer durable goods, like cars, are purchased by consumers for long-term use. Car is the focus of determination in this study because of growing importance of these products among consumers with increasing material and money-orientated purchase behaviour. With ever-enhancing lifestyles, increasing disposable income, better product knowledge, brand consciousness and consumerism in vogue, the nature of consumer purchase and expenditure has changed immensely. The change in disposition of consumer purchase behaviour has brought about considerable intensification and growth prospects of car industry. Consumerism is affecting and is being defiantly affected largely by car industry (Bacon, 2013). They are the focus of determination in this study because of their growing importance among consumers with increasing material and money-orientated purchase behaviour (Vyas, 2010; Ashok, 2011; Shanker & De, 2011). The use of cars definitely outlines the general definition of well-being in materialistic terms. Focusing on the dual factor implication on purchase of cars, the level of well-being would not only be interesting but also crucial subject under study.

To enhance the consumer well-being, perceptive understanding of the relationship between materialism, money attitude and consumer well-being is important. During review of literature, no study appeared to be investigating influence of the association of two variables (Materialism and Money Attitude) on Consumer Well-being through purchase and
consumption of cars. Further, no study surfaced to study the Consumer Well-being of car users in Indian context. There is a need to understand the level of materialism, money attitude and consumer well-being of car users in Delhi - National Capital Region; to understand the relationship between Materialism, Money attitude and Consumer Well-being of car users in Delhi National Capital Region; to understand the effect of Materialism and Money attitude on Consumer Well-being of car users in Delhi National Capital Region and there is a need to design a Consumer Well-being Framework, based on the outcome of analysis of relationship that would consider the upshots of interaction of materialistic tendencies and different money attitude that work towards augmentation of consumer well-being of people in Delhi National Capital Region.

In order to fill the gap found in the current literature, this study proposes to examine the materialism and money attitude as driving factors for the purchase and use of cars for well-being. The study also attempts to develop consumer well-being framework through analysis of consumer behaviour on car purchase and consumption decisions, by ascertaining materialistic tendencies and price related behaviour of car users. The focus is to study the well-being from consumption. An attempt has been made to exterminate the uncertainties about consumer behaviour with respect to materialism, money attitude by congregating these aspects of consumer behaviour during purchase of cars. This research is trying to relate the consumer well-being of car consumers with the level of materialism and kind of attitude they hold towards money. In our study of consumer well-being with reference to materialism and money attitude for car users, we need to study if purchase and use of car would increase or decrease consumer’s well-being, given the materialistic values and money attitude with reference to money attitude through typology of consumers (Tatzel, 2002). This study concerns how purchase of a car by a consumer with different materialistic standards and with diverse mind-sets in relation to money affects the consumer well-being. The current study investigates the effect of materialism and money attitude on consumer well-being across different age, gender, education level, professions, income level, location etc. Consumer well-being framework will be developed based on theoretical analytical and support and the different interactions observed in the study (Chaudhuri & Haldar, 2005).

The research would be useful to marketers, of automobile industry in general, in recuperating the probability of making their brand chosen by more and more buyers. Consumer well-being framework would help them in exploring the determinants of consumer’s well-being brought
about by their product and make strategies for increasing the same.

1.3 INDIAN CAR CONSUMERS

There is considerable transformation in age structure of Indian population, which is the reason that India is heading towards consumerism at fast pace. India is one of the fastest growing economies in the world and this progress of economy has led to increase in willingness to spend on luxuries. The attraction towards luxuries is to get ‘feel good’ experience. Car is regarded as a symbol of well-being in a country like India. IBS Centre for Management Research (ICMR) has categorized spending on car as a lifestyle spending (2002-07) that enhances the level of well-being. Car has been regarded as a means of transport, which is counted in luxury durable goods (Kaushal, 2014; Shende, 2014), and a symbol of success (Prince, 1991; 1993a). Owning a Car is a sign of well-being in developing countries like India (Fernandes, 2000; Dickey, 2012; Srinivasan, et al. 2014; Sidhu, & Foo, 2015). It has been reported by McKinsey and Company (2007) that private consumption of cars is expected to grow at the rate of 12 percent per annum and would reach 354 billion Indian rupees by 2025 (Ablett, et. al., 2007).

As researched by Statista (2011), in India, car density was 18/ Per 1,000 population in 2011. And the same would increase considerably by 2015 (Crisil Research, 2010). Delhi and National Capital Region are the biggest automobile market in India (Times of India, 6th May2015) but there is no study that measures consumer well-being of car users in India.

Spending on vehicle is directly related to level of satisfaction. About 65% of Indian population is below 35 years and 27% of total population falls in the age group of 25 to 44 (Source: Census 2011). Apart from demographic transformation, there are certain other features that set the Indian consumer apart from the rest (Gopal & Srinivasan, 2006). Those are cultural factors and social factors such as Indian traditions and family values and bonding.

In India, mainstream consumers are young as more than 40 percent of Indian consumers are between 20 to 49 years which is one factor that affects the spending. Spending habits of consumers differ across income groups, gender, age group etc. The expenditure on consumer durable goods has increased from 2.7% of total expenditure in 1993-94 to 6.1% in 2011-12 in rural area and that 3.3% of total expenditure in 1993-94 to 6.3% in 2011-12 in urban area (GOI, Ministry of Statistics and Programme Implementation NSSO, 2013). Vehicle Spending Index and Spending Sentiment Index reveal that spending on passenger cars is increasing.
years over years in India. The premium car market, in India, which includes cars ranging from 7 to 15 lacks, has also grown over last few years. India Brand Equity Foundation (IBEF) in their survey (2015) reported 10 percent rise in sales of automobile in 2014. The passenger vehicle sale is expected to grow further from 3.2m in 2013 to 8.6m in 2021. An article in The Economic Times (7 April 2014) related the percentage of income spending on car with the type of spender in India. According to the article, the frugal buyers spend 20-25 percent of annual income on cars; the value seeker spends 40 to 50 percent of annual income, the upgrader 60 to 70 percent and a big spender 100 to 125 percent of annual income on purchase of car. This has led the concept of consumer well-being needs focus and attention henceforth. The amount of information sought by the consumer while purchasing any consumer durable such as car would not be significantly affected by the level of education of a buyer, occupation of the buyer, age group in which buyer falls and location (Newman & Staelin, 1972). People tend to care and look for more information before deciding to purchase a new car as it involves huge expenditure (Richins, & Bloch, 1986).

1.4 RESEARCH OBJECTIVES

Based on the research background, rationale and the state of car consumers in India, following objectives have been framed for this study.

1. To identify factors for measuring level of materialism, money attitude and well-being of car users.
2. To estimate the level of materialism, money attitude and well-being of car users.
3. To study the influence of materialism and money attitude on consumer well-being of car users.
4. To develop a conceptual framework of consumer well-being of car users with reference to materialism and money attitude.

1.5 HYPOTHESES

The current study aims at providing a comprehensive analysis in Indian context. Testing of hypotheses would support in understanding the car purchase behaviour. In addition to above research objectives, the following research hypotheses have been developed to draw the inferences:

\[ H_{01}: \text{There is no significant difference in level of materialism across different age groups} \]
H₀₂: There is no significant difference in money attitude across different age groups
H₀₃: There is no significant difference in level of consumer well-being across different age groups
H₀₄: There is no significant difference in level of materialism across different education levels
H₀₅: There is no significant difference in money attitude across different education levels
H₀₆: There is no significant difference in level of consumer well-being across different education levels
H₀₇: There is no significant difference in level of materialism across different occupations
H₀₈: There is no significant difference in money attitude across different occupations
H₀₉: There is no significant difference in level of consumer well-being across different occupations
H₁₀: There is no significant difference in level of materialism across different income levels
H₁₁: There is no significant difference in money attitude across different income levels
H₁₂: There is no significant difference in level of consumer well-being across different income levels
H₁₃: There is no significant difference in level of materialism across different ownership durations
H₁₄: There is no significant difference in money attitude across different ownership duration
H₁₅: There is no significant difference in level of consumer well-being across different ownership duration
H₁₆: There is no significant difference in level of materialism across different car price range
H₁₇: There is no significant difference in money attitude across different car price range
H₁₈: There is no significant difference in level of consumer well-being across different car price range
H₁₉: There is no significant difference in level of materialism between males and females
H₂₀: There is no significant difference in money attitude between males and females
H₂₁: There is no significant difference in level of consumer well-being between males and females
H₂₂: There is no significant difference in level of materialism across different locations
H₂₃: There is no significant difference in money attitude across different locations
H₂₄: There is no significant difference in level of consumer well-being across different locations
1.6 SIGNIFICANCE OF THE STUDY

India is heading towards consumerism at very fast pace (Radhakrishnan, 1999) thus; it is of vital importance to know how consumer’s well-being is associated with their level of materialism and importance they confer to money in their life. Understanding the consumer well-being is imperative to the study of consumer behaviour and is part of analysis and research since consumer research is initiated.

The significance of money attitudes is coherent for knowing the prospects and potential for a people residing in a society, which is experiencing evolution and transition (Burgess, et. al., 2005). For the emerging economies like India, the current research, which involves the understanding of important concepts like materialism that focuses of purchase behaviour and money attitudes that focuses on money and its uses, makes vital sense.

Materialism and Money Attitude forms behavioural and cognitive inducements, shaping purchase decision and well-being from consumption (Lastovicka & Sirianni, 2011; Long-Yi Lin & Hsing-Yu Shih, 2012; Hudders & Pandelaere, 2012; Mishra, et al. 2014; Jaroenwanit et. al., 2015). There is a need to understand these factors that influence on consumer well-being (Durvasula & Lysonski, 2010; Saviolidis, 2012.). Car is one of the consumer durable goods that is ridding high on the ‘heat’ wave of consumerism (Srinivasan, et. al., 2014; Sidhu, & Foo, 2015).

Limited studies have been carried out in this context in India. Car as one of the consumer durable goods has been intentionally identified for this study because it serves both basic as well as materialistic needs and is available at different price range. Where on one hand car forms the basic requirement of today’s society at the same time it is also used as goods of social display. This study analyses the impact of materialism and money attitude on consumer well-being pertaining to purchase and use of car.
1.7 SCOPE OF THE STUDY
The study focuses on consumer well-being of car users who have purchased a new car within last three years and have a source of income. The car dealerships and service centres of four different car makes, i.e. Maruti Suzuki, Hyundai, Honda and Toyota, have been considered for the present study. It measures materialism, attitude towards money and consumer well-being of respondents through modified and adapted questionnaires in order to study the level of their existence in car users of Delhi-NCR. It is an evocative study that focuses identifying and analysing the relationship among these three concepts to understand the factors that help in increasing the level of consumer well-being. It evaluates the level of consumer well-being at different combinations of different levels of materialism and money attitude to identify the combination where consumer well-being gets maximized or minimized. It presents the demographic profiles of consumers who have maximum or minimum consumer well-being.

1.8 STRUCTURE OF THESIS
The study focuses on well-being of car users from perspective of materialism and money attitude. This would analyse if the difference in level of income, occupation and education etc. influences the materialism, money attitude and consumer well-being of car users. The entire research has been organized into five chapters. A brief summary of the various chapters is as follows:

Chapter 2: Literature Review - This chapter gives the strong theoretical framework as it proceeds through a detailed literature review of the three concepts under the study i.e. materialism, money attitude and consumer well-being in six phases. It discusses the concepts from their origin until the developments that have been brought about recently. Primarily, this chapter outlines the concept of consumer well-being, materialism and money attitude. It also spells out the conceptual definitions derived from literature review of different conceptualizations found in literature. It subsequently advances with the literature on effect of demographics such as age, gender, education level, profession, income etc. on the three variables i.e. materialism, money attitude and consumer well-being. It further reviews the measures of materialism, money attitude and consumer well-being existing in literature and investigates them to the extent to which they are suitable for current study. It further explores the literature on relationship among these three variables i.e. between materialism and money
attitude; materialism and consumer well-being; money attitude and consumer well-being and among materialism, money attitude and consumer well-being.

**Chapter 3: Research Methodology** - In this chapter, the research methodology adopted for the current study has been discussed. It explains research design, survey technique, sample design, data collection and data analysis tools. This chapter explicate the process of experience survey and pilot survey, that were conducted on existing scales of materialism, money attitude and consumer well-being, in order to design instruments that are more suitable for the current context and sample study. This chapter discuss sample selection criterion and technique and also the detailed procedure pursued for collection of data through self-administered survey technique for final study. The sample design includes sampling criterion, sampling technique and sample size. The procedure of data collection includes the instruments used for data collection, data collection techniques, methods of data collection etc.

**Chapter 4: Analysis and Discussion**–It explains in detail the refinement process of research instruments that took place for development of questionnaire for the current study to measure materialism, money attitude and consumer well-being of Indian car users based on the experience survey and pilot survey. This chapter discusses various inferences made based on results of data analysis. It explains the findings from the data analysis in order to fulfil the objectives of the study. It starts with analysis and explanation of the results of experience survey. It explicate the statistical techniques used to carry out the pilot survey such as Cronbach Alpha, KMO and Bartlett's test and Factor Analysis. The characteristics of car users in Delhi NCR were studied through descriptive analysis (Mean and Standard Deviation) based on data collected. The hypotheses were tested and data was further analysed using inferential statistics. The Chi-square test and ANOVA were conducted and their outcome was analysed to test the hypotheses of the study. The Correlation, Regression and other statistical analysis were conducted and their results were discussed with respect to each objective of the study and inferences are made. A consumer well-being matrix was developed based on interaction of extremes of materialism and money attitude to test the consumer well-being and profile of consumers falling in different quadrants. Based on inferences made the consumer well-being framework has been developed.

**Chapter 5: Conclusion and Implications**- This chapter summarizes the discussion of previous chapters. It concludes the whole research findings. It deliberates through the
contribution that research has made in the field of marketing management, psychology and economics. It also talks about the implications of the study to policy makers, academicians, marketers and related organizations such as car sellers, car dealers and service centres in discovering and identifying the methods of increasing well-being and satisfaction of the their car customers. This study of consumer well-being of car users would help in augmenting the overall well-being of people. This chapter also discusses the limitations of the study as it is restricted to car users as one of the consumer durable goods and has other sampling restrictions. Keeping in view the limitations the future scope of study in the same field also crop up. This chapter thus discusses the scope of future work in the area of consumer well-being.