CHAPTER - I

INTRODUCTION

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CHAPTER I: INTRODUCTION

1. Consumer Behaviour:

A wall of diversity surrounds the human being. (As this study focuses only on females, human beings for the purpose of this study will specifically refer to women only). By her very nature the woman is a thinking animal and hence each human being thinks and responds in different fashions. Not only do human beings respond in a different fashion in different situations, but different human beings in the same situation respond in different ways and the same human being in the same situation at two different given points of time will respond in a different fashion. Thus the human being is marked by diversity of thought, action, behaviour and response. However there is one thing that is common to all human beings and that is “All human beings are consumers”. That is, we use or consume on a regular basis food, clothing, shelter, transportation, education, brooms, dishes, vacations, necessities, luxuries, and services,
even ideas. As consumers, we play a vital role in the health of the economy—local, national and international. The decisions that we make concerning our consumption behaviour affects the demand for basic raw materials, for transportation, for production, for banking; they affect the employment of workers and the deployment of resources, the success of some industries and the failure of others. Therefore consumer behaviour has become an integral factor in the ebb and flow of all business in any consumer oriented society.

Consumer Behaviour is the entire behaviour of a consumer encompassing all of the behaviours that the consumer displays in searching for, purchasing, using, evaluating, and disposing of products and services that she expects will satisfy her needs.

Hence it is very essential for the manufacturers and marketers to study consumer behaviour if they have to survive and compete in a highly competitive society like ours. A
comprehensive knowledge of consumer behaviour helps the marketer to recognize why and how individuals make their consumption decisions. This will further facilitate them to make better strategic marketing decisions.

Sales Promotion Messages are a recognized important marketing strategy in today’s competitive world, and are being used by marketers everywhere. If marketers understand consumer behaviour, they will be better able to predict how consumers are likely to react to various informational and environmental cues, and hence will be able to shape their marketing strategies accordingly. Without doubt marketers who understand consumer behaviour have a great competitive advantage in the market place.

However it is important for the consumer herself too, to understand her own behavior when faced by such alluring marketing strategies, herein the study focuses and refers
specially to ‘Advertisements Carrying Sales Promotion Messages’. The consumer benefits from insights into her own consumption related decisions, as a study of consumer behaviour enables consumers to become better, that is wiser consumers.

2. Aims And Objectives Of The Study

The main objective of this study is to find out the effect of advertisements carrying sales promotion messages on consumer behaviour of the urban women in Pune city. The study would focus on the following effects:

- Effect of advertisements carrying sales promotion messages on Attitudes of Urban Women in Pune City towards future such marketing messages.

- Effect of advertisements carrying sales promotion messages on Consumer Decision Making Behaviour of Urban Women in Pune City.
This study aims at pointing out the benefits as well as problems faced by women when they respond to advertisements carrying sales promotion messages. It aims at pointing out the impact of such schemes on the attitudes, purchase behaviour, lifestyle, and family peace and harmony of women who respond to such schemes.

This study also aims at pointing out the effects of Advertisements carrying sales promotion messages on the urban women consumer with reference to their attitudes, purchase behaviour, lifestyle, family peace and harmony and satisfaction derived from a response to such schemes; when
they carry the commercial truth as well as when they do not carry the commercial truth.

This study also aims at pointing out the importance of maintaining ethical standards especially in advertisements carrying sales promotion messages.

3. Significance Of The Study

This study is important from the point of view of the marketers as well as consumers.

It is important as it aims to point out to the marketers what exact effect (positive and negative) advertisements carrying sales promotion messages have on the attitudes, lifestyles, decision making process, family peace and harmony and satisfaction derived from response to such schemes of urban women in Pune city. This information will tell them the exact extent to which their marketing strategies are successful or not. In today’s consumer oriented marketing scenario no marketer can afford to alienate consumers. Knowledge of the effect of such schemes will guide marketers for future planning and development of marketing strategies.
It also aims to point out to the urban women consumers the pitfalls faced by them when they respond, without giving much thought to all variables, to advertisements carrying sales promotion messages, as well as the benefits that are offered by such messages. It aims at making the consumer more aware of the promotional influences that persuade her to buy. This study aims at enabling her to become better, that is a wiser consumer.

4. Hypothesis

i. Advertisements carrying sales promotion messages influence the **attitude** of the urban women towards future such messages.

ii. Advertisements carrying sales promotion messages affect the **purchase decisions** of urban women.

iii. The **life styles** of urban women are affected due to advertisements carrying sales promotion messages.

v. Advertisements carrying sales promotion messages sometimes have an effect on the **family peace and harmony** of urban women.
v. Misuse of ethical standards in advertisements carrying sales promotion messages affects the satisfaction derived by urban women consumers.

5. Methodology And Sampling

Selection Of Respondents:

Almost all Behavioural scientists tend to agree that social class is a valid and useful concept for the study of Consumer Behaviour. However, no general agreement exists on how to measure it. To a great extent researchers are uncertain about the underlying dimension of social - class structure. To attempt to resolve this dilemma, researchers have used a wide range of measurement techniques, which fall into the following broad categories: Subjective Measures, Reputational Measures and Objective Measures of Social Class.²

Thus for the selection of respondents, the researcher has used the subjective measure of social class identification. 225 women from the Camp area of Pune City which is an Urban Area By the definition of Urban Area as given by the Census Department of India, (which is “An Urban area is an area
which has 1. A municipality, Corporation, Cantonment Board or notified town area committee, and 2. All the places with a minimum population of 5000 persons with at least 75% of the male working population engaged in non agricultural activity and with a population of at least 400 persons per square kilometer or 1000 persons per square mile.) From this Urban Area the middle class married working women of societies like Mira Co-op Housing Society, Shankar Shet Road, Pune; Geeta Hsg Society, Synagogue Street. Pune; Mira Co-op Hsg Society, Salusbury Park, Pune; were selected. Some women were selected on the basis of their working in a particular government aided college. Based on the above the researcher selected 225 respondents from the middle class strata of the Society.
Source Of Data:

The study is based on Primary and Secondary Data.

Primary Data: Primary data was collected from 225 women of Pune city selected according to the method mentioned above in 'Selection of Respondents'. Primary data was also collected through an interaction and discussion with various dealers and marketing managers. The researcher adopted the following techniques for collecting 'Primary Data'.

1. Questionnaires;
2. Interviews;
3. Discussions; and
4. Observation;

Questionnaires:

A questionnaire was prepared and it was administered to all the respondents. This questionnaire was divided into three sections. Section one elicited information on the socio economic background of the respondents like family income, occupation, Educational qualification, information about class standing, Personal information and information about the spouse.
The second part of the questionnaire consisted of ten questions, which required elaborate answers. These questions pertained to the knowledge, attitude and previous experiences of women towards advertisements carrying sales Promotion Messages.

The third part of the questionnaire consisted of twenty statements on a 5-point scale, on which the respondents were required to tick mark as to how strongly they agree with the statements. These statements pertained to the attitudes, decision-making, lifestyle and satisfaction that the consumers' have/ adopt/ change depending on the response to advertisements carrying sales promotion messages.

**Interviews:**

In this study both structured and unstructured interview techniques were adopted to collect information. The researcher conducted interviews with women respondents as well as with dealers and retailers. The interviews commenced on 15th October 2002 and continued till 28th October 2003. Interviews were conducted at the residence of the women respondents, at dealers' offices and retailers' shops. The Objectives of the study
were briefly explained to the respondents before the commencement of the interviews and except for a few retailers most of the respondents were friendly and freely gave the information asked for. The time taken for each interview with a women respondent ranged from 50 minutes to 1 hour 15 minutes. Where as the time taken for interviews with dealers and retailers ranged from 15 minutes to 30 minutes.

Discussions:

The Researcher held discussions with Marketing Managers on the Marketing Strategy of Sales Promotion Schemes. These discussions lasted between 30 minutes to 2 hrs. A number of issues relating to the main aspects of the study were discussed. Discussions were also held with women’s groups at various private Kitty Parties and College and School Staff Rooms. These discussions proved helpful in gaining insights into the thought process of women in Pune city.
**Observation:**

The technique of Observation was also used for data collection. Among the researcher's various visits to retail outlets, the researcher quietly observed the buying behaviour of various women consumers. The same consumers were later questioned too. This Observation helped the researcher in gaining an insight into the consumer behaviour of the respondents.

**Secondary Data:**

The secondary data for the study was got from various books on "Consumer Behaviour". Magazines, Journals, Research Publications and newspapers were also studied. Pamphlets, and leaflets of various schemes as well as brochures of various products were also used.
6. Assumptions Of The Study

i. It is assumed that the respondents involved in the study will give reliable and accurate information.

ii. It is assumed that the respondents covered in the study have a positive or negative attitude towards advertisements carrying sales promotion messages, and their responses would be objective not subjective for the purpose of this study.

7. Limitations Of The Study

i. The study is limited only to urban women of Pune city.

ii. The findings of the study will depend upon the type of responses received from the respondents.

iii. The study is limited to the sales promotion schemes available during the period of the study.

iv. The study targets women of Pune city in general and women belonging to the Middle class of Pune city in particular. However in order to target the middle class of Pune only the
subjective technique to measure of social class was used. Other measures like Reputational Measures and Objective Measures of Social Class measurement were not used.

8. Review Of Literature — Old Studies On Same Topic — Previous Research

A number of research studies have been carried out in the area of Consumer Behaviour and Advertising. All these research studies give an insight into the effect of various kinds of advertising and advertising techniques on consumer behaviour. Most of these research studies have been taken from various editions of “Journal of Marketing Research, Journal of Consumer Research, Advances in Consumer Research, Journal of Consumer Marketing, Marketing News, and various research articles found in various other magazines and newspapers.

A research study carried out by David W Schumann, Richard E Pettu and D Scott Clemons observes that there is a limit to the amount of repetition of an advertisement that will aid retention. According to them evidence suggests that some over learning, or repetition beyond what is necessary to learn, aids retention. But with exposure beyond a certain point, an
individual can become satiated, and attention and retention will decline. This effect, known as advertising wear out, can be decreased by varying the advertising message. A research study carried out by H Rao Unnava and Robert E Burnkrant took this concept a step further and according to them, marketers can avoid wear out by repeating the same advertising theme in a variety of format. This type of advertising variation strategy has been described as a cosmetic variation, because there is no real change in message content across the advertisements. Another research study carried out by Curtis P Haugtvedt, David W Schumann, Wendy L Schneier and Wendy L Warren concluded that that individuals exposed to substantively varied advertisements process more information about product attributes and have more positive thoughts about the product than those exposed to cosmetic variations. Attitudes formed as a result of exposure to substantively varied advertisements were also more resistant to change in the face of attack.

A research study carried out by Phil Gullen and Hugh Johnson, related the viewing of TV commercial to product purchase and found that, in the short term, advertising had much greater influence in attracting new buyers (e.g., encouraging brand switching) than encouraging repeat...
The study also showed that the greater the number of commercial shown, the more likely a product is to attract new buyers. Generally, the largest incremental value was attributed to the first ad seen, although additional benefits were noted in seeing four or more ads between consecutive purchases of the product category.

Another study carried out by Gregory S Carpenter, Rashi Glazer, and Kent Nakamoto concluded that though conventional product differentiation strategies prescribe distinguishing a product or brand from that of competitors on the basis of an attribute that is relevant, meaningful, and valuable to consumers, many marketers also successfully differentiate their brands on an attribute that appears valuable but on closer examination is actually irrelevant to creating the implied benefit.

Another research study was done to find out about how many exposures to an advertisement message are really required, concluded that more than three exposures to a marketing communication are wasted. The first exposure creates awareness of the product, the second demonstrates its relevance to the consumer, and the third serves as a reminder
to the product's benefits. This study was carried out by Mr. Herbert Krugman. 8

Another research study carried out by Pierre Bourdieu focused on the preferences and purchase and consumption behaviour of human beings and concluded that members of a particular social class behave in a consistently similar manner as far as their preferences, purchases, consumption and exposure to media are concerned. Likewise different social classes exhibit characteristically different behaviour pattern in relation to the above. So a social class consists of a group of people who have approximately an equal position in society. The positions may be achieved or ascribed. And it is possible to move upward from a lower social class membership to a higher social class. Social classes are not formal groups with a strong identity but rather loose collections of individuals with similar life experiences.9

A research study carried out by Armo J Rethans, John L Swasy focused on the effect of repetitions of television commercial and their length on the receivers knowledge. This study concluded that advertisements that wear out their welcome because they have been repeated too often, annoy
the viewers and thus viewers experience negative feelings towards the advertised product.\textsuperscript{10}

A research study carried out by Marian Chapman Burke and Julie A. Edell, on The impact of feelings on advertisement based Affect and Cognition, concluded that the feelings experienced by consumers during advertisement processing determine consumers’ post message evaluation. Attitude towards the advertised product are favourable after viewing an advertisement that evokes favourable feelings and vice versa.\textsuperscript{11}

A research study carried out by Richard W Olshavsky and Donald H Granbois, on the process of Consumer Decision Making concluded that the assumptions underlying decision-process approaches to consumer behaviour seem to be the following:

1) Two or more alternatives exist, so that a choice must be made by the consumer.

2) Consumer evaluative criteria facilitate the forecasting of each alternative’s consequences for the consumers goals or objectives.
3) The consumer uses a decision or evaluative procedure to determine the chosen alternative.

4) Information obtained from external sources and /or memory is used in the application of the decision rule or evaluative procedure.  

Another research study carried out in the area on consumer decision making was carried out by Harrold H Kassarjian. According to him for certain purchase situations some consumers do not engage in a pre purchase decision process. A research study carried out by Olshavsky and Granbois also pointed out the various purchase situations in which a consumer purchases without going through the pre purchase decision process. Another research study carried out by Roger A Formisano, Richard W Olshavsky and Shelly Tapp, too concluded that there are some consumer purchases which are made without going through the pre purchase decision process.

A research study carried out by Shelly Phillips and Gail Mc Knight, focused on the easy availability of credit cards giving a boost to hard-core shopping. According to this study one factor facilitating the process of hard-core
shopping is the easy availability of credit cards. It is probably no coincidence that there has been a rapid growth in bankcards issued during the rise in the problem of compulsive consumption. According to this study one consumer was even able to obtain 1199 different credit cards to win a bet with a friend. The result of easy credit can be staggering debt. The typical client of one of America's largest non-profit credit counseling services is 35 yrs old, has 4 kids, makes $1,680/- a month and owes a total of $16,045 in credit card debts. A similar research study carried out by Patrick McDonnell was also published in Forbes Magazine. According to this study which was titled "Shop Until You Drop" 10% of the American population can be classified as "Hard core shoppers" who shop for shopping's sake rather than to fulfill real needs.

Another research study carried out on shopping by Betsy Morris concluded that "Shopaholics", are addicted to purchasing and use it as a fix to offset emotional deprivation.

Various research studies were also carried out on Consumer Behaviour known as "Compulsive buying". According to one such study carried out by Thomas C
O'Guinn and Ronald J Faber Compulsive buying is chronic, repetitive purchasing that becomes a primary response to negative events or feelings. It becomes very difficult to stop and ultimately results in harmful consequences to the individual and/or others. Compulsive buying is undesirable because it has severe consequences such as amassing huge amounts of debt that are difficult to retire and feelings of remorse, lowered self esteem, and weakened interpersonal relationships. 19

Some research studies have focused on what makes T.V Commercials successful. Two such research studies were carried out by Cyndee Miller, and both concluded that the liking of a T.V. commercial is an important predictor of the advertisements success in the market place 20.

Some research studies were carried out on “Attitude formation” One such research study carried out by Lawrence J Marks and Michael A Kamins, concluded that direct experience with the attitude object leads to firmly entrenched attitudes which are resistant to change, while indirect experience with the attitude object leads to attitudes which are less firm and more easily changeable 21.
Another area in which research related to the current study has been done is the difference in behaviour of the sexes. One such study carried out by Matthew Klein, titled “He Shops She Shops” showed that most men do not like to shop and most women claim to like the experience of shopping. It further states that majority of women find shopping to be a relaxing and enjoyable experience and majority of men did not find shopping to be a relaxing and enjoyable experience.  

Some research has also been conducted on the reasons behind consumers haggling about the prices or wanting to pay less. One such research was carried out by Michael A Jones, Phillip J Trocchia, and David L Mothersbaugh. According to them consumers’ primary motivation for Haggling, which was long thought to be the desire to obtain a better price, may instead be related to the need for achievement, affiliation and dominance. Another research on importance of price and hence looking out for sales promotion messages was carried out by Haim Mano and Michael T. Elliot, Titled “Smart Shopping. This research revealed that price considerations could also play a role in determining the
extent of the pre purchase search process. The consumers may engage in Smart Shopping, which indicates a willingness to invest a considerable amount of time and effort to seek and use promotion-related information in order to obtain a price savings. For such consumers, this search constitutes doing your homework prior to purchase.24

Some studies have also been carried out on the search time associated with various product categories, and attitude towards shopping. Sharon E Beatty and Scott M Smith undertook one such study. Their study examined the external search effort associated with the purchase of different product categories, and found that the less the consumer knew about a product category and the more important the purchase is to him/her; the more time he/she will make available and the more extensive his/her pre purchase search activity is likely to be. Further the study also pointed out that as the total search effort increased, the consumer attitudes towards shopping became more positive and more time was made available for shopping.25
Research studies have also been carried out on the effect of information regarding credit transactions on consumer credit behaviour. George S Day and William K Brand carried out one such study. This study showed that although the practice of making information regarding rate of finance charges and other aspects of a consumer credit transaction available, apparently improves consumer knowledge of credit rating and charges, it has been found to do little to change credit behaviour, because of the importance of the retailer in the credit decision. Further this study has shown that most consumers (particularly those with lower incomes and education) remained uninformed about interest rates; many did not even understand the concept of interest, nor could they calculate it in dollars. Thus this study concluded that consumers must not simply be provided with information but should also be taught to understand it and use it.²⁶

Research studies have also been carried out to define "Corporate Ethics". One such study carried out by Geoffrey A Lantos stated that corporate ethics are very difficult to define and discuss because they are related to
individual philosophies and values. Nevertheless there must be an ethical base for making marketing decisions. 27

Continuing on the line of ethics, research studies have also been carried out on the ethics of retailers. John Liefield and Lowise A Heslop carried out one such study. Their study revealed that retailers are often guilty of using “exaggerated reference prices” in advertisements so that the consumers think that a sale price is really a good deal. 28 Another research study carried out in this area was by Raymond R Burke, Wayne S. De Sarbo, Richard L Oliver and Thomas S Robertson. According to this study consumers can be deceived by what is not said in the advertisements. That is everything said in the advertisement may be true but consumers are deceived by what is not said in the advertisement because information is left out or qualifications are presented in an inconspicuous place where consumers may not see them. 29

Research has also been carried out on the importance of warranties in the consumer decision-making process. One such research work was carried out by Daniel E Innis and H Rao Unnava. According to their study warranties have
the potential to significantly influence consumers. For example when launching a new high-performance brand, a strong warranty can have a positive effect on product evaluations.\textsuperscript{30}

Thus the research work carried out in the area of advertising and consumer behaviour is so large that it is virtually impossible to bring into reference all of it. Every little aspect of advertising and consumer behaviour has been researched. The previous researches quoted here are just a very insignificant amount of the total researches that have been done in this area.

9. Organisation of the study

This study is divided into Six Chapters.

\textit{Chapter One:} This chapter deals with the aims and objectives of the study, significance of the study, research methodology of the study, scope of study, hypothesis, assumptions of the study, and limitations of the study; previous research on the same topic as well as the organization of the study.
Chapter Two: This chapter deals with consumer behaviour and focuses on: historical perspective of consumer behaviour, theories of consumer behaviour as well as definitions on related topics and concepts.

Chapter Three: This chapter deals with the growth of Pune city and profile of urban women in Pune city with special focus on: attitudes, decision making behaviour, lifestyles, ethics in marketing, family harmony and consumer satisfaction.

Chapter Four: This chapter deals with various sales promotion schemes currently advertised in the market.

Chapter Five: This chapter deals with the statistical analysis of data with findings of the study.

Chapter Six: This chapter deals with conclusions, summary and recommendations for further study.
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10. Armo J Rethans, John L Swasy, and Lawrence J Marks, “Effects of Television Commercial Repetition, Receiver Knowledge and Commercial


16. A research study carried out by Shelly Phillips and Gail Mc Knight, titled “Painful Payback”, published in USA Weekend, March 9-11, 1990, p10


