Changing Indian Markets

A careful analysis of the Indian market reveals the dramatic changes that occurred since 1990s resulting in manifold increase in the purchase of consumer durable products. The various changes that transformed the Indian market for consumer goods in the last one and half decade (1991-2005) are presented below:

♦ A shift from sellers market to buyers' market - characterized by intense competition, variety, and consumer insistence for value for money leading to the redefinition of necessities and luxuries;

♦ Sheltered market to competitive market - the entry of Multinational Corporations (MNC's) with global network, acknowledged superior technology, product quality and money power to backup their marketing efforts offered a severe jolt to the Indian companies;

♦ Changing consumption pattern - Indian markets have transformed both in terms of sophistication and variety, resulting in a substantial change in the disposition of the customers towards quality, price, delivery and service leading to new processes;

♦ Expanding service sector - which at present accounts for about 52 per cent of gross domestic product. They are production, business, government and other service sectors like education, healthcare, hotels, insurance, banking, consulting company, travel and tourism, emerged as
important areas where significant action is taking place;

♦ Emergence of distinct market segments - urban, rural, youth, children, working women etc;

♦ Changes in the media scene - from single channel to cable network with multiple channels, larger coverage, multimedia mix, greater spending and emphasis on market research and media planning, have become the order of the day;

Changes in the distribution channels - Innovative distribution channels like convenience shops, departmental stores, discount stores, super markets, mail-order retailing, video shopping, internet shopping and multilevel marketing, have begun to change the face of distribution format;

♦ E - Business and Commerce - in addition to e-mail, e-entertainment and e-database, a wider range of services using networking - e-shopping, e-commerce, web-enabled operations and data ware-housing are now available and quite interestingly are gaining acceptance.

As a result of all these changes, the role and functions of marketing have undergone a metamorphic change in recent years. Many new concepts and patterns of thought have emerged.

That apart, changes have also taken place in the consumer buying habits and spending behavior.

Consumers have become more knowledgeable, more
adventurous and more demanding, compelling, in away, redefinition of marketing strategies and orientations of companies. Since present day consumers are more concerned for value, brand image and performance than ever before, consumer satisfaction is viewed as an integral part of total quality package in terms of form utility, place utility, time utility and possession utility.

In the light of the shift enumerated thus for, it is evident that sound understanding of the consumer profile is an urgent need for the marketers. The traditional attitude of many business firms to sell what is easy for them to produce' rather than to produce what the consumers want has to be changed. The marketers should take fresh initiatives focussed on effective market analysis and research. Gone are the days where price alone used to play a significant role.

Of late, product differentiation, customization, pre-sale and after sales service, quality, delivery schedules and other factors also play an important role besides price. Effective marketing not only creates new and bigger markets, but also enables the firms to reduce cost, to enhance the demand and eventually to achieve economies of scale. It is, therefore, essential that marketers keep a constant watch on the marketing horizon to spot the new challenges thrown up by the staggering pace of technological developments and various changes in the marketing environment and to
convert them into highly profitable marketing opportunities. The micro environment implication to these changes have given new challenges and opportunities to business in general and marketer in particular.

This study is particularly focused consumer buying preferences for consumer durable goods at Gorakhpur city.

Importance of this study:
The relevance of this study is that it tries to examine consumer buying preferences in the city of GORAKHPUR which can be categorized as Tier III city having the following characteristics.

Characteristics of Tier III cities:

♦ Tier-III cities are taken as cities with less than 10 lakhs
♦ These cities are also catering to peripheral regions for their purchase/supplies and each have a potential target population of 50 Lakhs to 10 Lakhs people.
♦ Almost 80% of the population can be characteristic as belonging to the 'bottom of the pyramid' in the terminology of Mr. C.K.Prahalad.
♦ These consumers do not have much disposable cash and hence are unable to buy in bulk and store.
♦ These consumers are fewer brands conscious and spend more on personal care products like soaps, talc, and shampoo and also spend on items traditionally considered Luxuries, like refrigerators, mixers/grinders, cordless phones/mobile, pressure cookers etc.
♦ Most of the purchase by this group is need driven and not
impulse driven.
♦ Price is the key determining variable in purchase behavior.
♦ This segment or "Bottom of the pyramid" presents a new managerial challenge which requires an altogether new outlook at the entire activity and an innovative approach to marketing.
♦ Infrastructure constraint are prominent which will remain in decreasing ratio for next 5-7 years.

Findings of the study.

Influence of 'Macro Factor' in purchasing pattern.

Economic factors.

It consists of factors that affect consumer purchasing power and spending pattern. For analysing the impact of economic condition the researcher has selected the following factor as important elements - family income, availability of cheap source of borrowing funds, availability of attractive sales promotional schemes, and pricing strategies of companies and the perceived risk in terms of technological obsolescence.

From the TABLE I it is clear that level of family disposable income have a medium level of influence in purchase of the consumer durable products it has accounted for an average score of 3.4

This means when even the income of an individual increase, the demand of an individual also increases at a medium level.

Secondly,

The availability of attractive sales promotional schemes announced by companies accounted for an average score of 3.6 showing a
medium level of influence in purchase of durable products. This shows that the income of an individual increased substantially, our consumer's also looked for prospects in the form of promotional schemes (seasonal offers) of companies in order to maximize the benefit out of their purchase.

Thirdly,

The pricing strategies of the companies accounted for an average score of 3.3 also having a medium level of influence in purchasing consumer durable products. Whenever the consumer purchases any durable product, the product quality and price of the product have major influences.

Fourthly,

The availability of surplus funds and the perceived risk in terms of technological obsolescence, each had accounted for an average score of 3.1 respectively. Since, technological improvement is often inevitable due to foreign collaboration, any consumer prefers to make use of the most recent technological advancement. Hence, both price and technology influences uniformly the consumers level of decision making for purchase of a product.

Lastly,

The availability of cheap sources of borrowing funds accounted for an average score of 2.9 respectively showing a medium level of influence.

Hence the above results showed that the economic factors as a whole have an average medium level influence in purchase of
Social factors.

Consumer's buying behavior is also influenced by social factors, such as the consumer's small groups, family and social roles and status.

For measuring the influence social and cultural factors hold over the purchase of durable products, the researcher has selected the following factors considered relevant.

Accordingly, the following factors have been selected.

a) Family size
b) Influence of reference groups.
c) More interactions among family members
d) Education and level of occupation
e) Influence of traditional values
f) Status associated with the products

Which have shown to influence the purchasing pattern of durable products.

The dominance of an elderly person in family has accounted for an average of 3.2 and shown medium level of influence of reference group, chance of more interactions among family members and learning attitude of individuals accounted. Each had an average score of 3.4 and has shown a medium level of influence on purchasing pattern of durable products.

Hence social factors have shown on an average high level of
influence in the purchasing pattern of durable products.

**Cultural Factors.**

Cultural pattern of evaluation arise when people react reflexively and that these patterns are attenuated when people respond deliberatively.

Consumer durable products are generally not bought as impulse driven, the inherent Indian culture of having more favorable attitude towards the prevention, durability and servicability gets reflected in the findings high rating of 3.4 has been given to durability & servicability aspect of the product.

Another finding has been that buying decisions are taken by predominantly male members of the family.

**Psychological Factors.**

The study of consumer behavior is much more important than the number of consumers in the market because each consumer is unique.

His behavior, attitude, temperament, mentality and personality have their own say on what he wants and how his/her needs could be satisfied.

A person's buying choices are mostly influenced by four major psychological factors.

1. Motivation
2. Perception
3. Learning
4. Beliefs and attitude

Following factors the researcher has selected for this study.
They are:
1. Price differentials among various brands/others.
2. Technological superiority of the product.
3. Influence of promotional efforts.
4. Life expectancy of the product.
5. Assurance of prompt after sales service.
6. Resale value of an item.
8. Sentimental / traditional values.

From the TABLE 3, it is clear that, among the eight factors, the technological superiority seen among the products accounted for an average score of 3.9 showing a high level of influence on the consumers' mind.

Secondly, price differentials among various brands/sellers and brand loyalty among consumers, each accounted for an average score of 3.6 respectively and has shown a high level of influence over the consumer's mind.

Basically, our Indian consumers are price conscious, and hold loyalty towards the particular brand to which they are associated.

Thirdly, the influence of promotional efforts/assurance of prompt after sales service, accounted for an average score of 3.6 showing a high level of influence on the purchasing pattern.

Due to increase in competition, each company has started giving better deals to their consumers through attractive promotional offers, exchange schemes, and attractive free after sales service for longer periods.

Fourthly, the life expectancy and convenience in usage of the
products each accounted for an average score of 3.4 and has shown a medium level of influence on the purchasing pattern. Any consumer normally expects durability of the product along with ease of operation since these two factors are necessary for a consumer to maximize the utility of their products.

Fifthly, The realization of ego needs accounted for an average score of 3.0 and has shown a medium level of influence in purchasing pattern. Any consumer has certain desires in his/her mind based on their status, life style, occupation and education which influences the purchasing pattern of consumer durable product.

Sixthly, sentimental/traditional values and resale value of an item each accounted for an average score of 2.8 respectively and has shown a medium level of influence in their purchasing behavior. Indian consumers normally hold their beliefs on certain sentiments like seeing an auspicious occasions like festivals. Also they look at a reasonable resale value for the investment made on purchasing the durable product.

**Micro Factors affecting purchase decisions:**

Like macro factors, micro factors also influence the purchasing patterns of consumer durable products, these are controllable and exist within the organization, Customers make more of an effort, and become more involved, if the purchase is relatively important to them, particularly if they have no previous experience of buying such a product or service. Since, the durable products are costly and having a significant period of life, it
requires a lot of detailed information and careful analysis about the following: product itself, pricing of various competitive products, Place of availability along with additional benefits possible along with purchase. This is called 'high involvement'.

Here the consumer goes through an extensive problem solving process searching and collecting information, evaluating it and eventually deciding on a particular choice. So to study the influence of all those micro factors, the researcher has grouped the following factors under his consideration: Sources of information, Product attributes, Pricing policies, Promotion policies of various corporate sectors, and various schemes announced by companies for mode of purchase of durable products. Let us now examine the above factors influence on durable product purchase.

Influence of Source of Information's in Purchasing Decision:

Among the Micro factors, the sources of information are of vital importance to educate the consumers' what is available for their service. This gives information on various brands, models, sizes, technology, features, pricing levels and other needed information on particular durable products. Further this also helps consumers to save their time and efforts of searching the particulars about any durable product for their purchasing decision. This will also act as a linking process in bringing together the companies products to the ultimate consumers. In general, there are many sources available to communicate the required information to the ultimate consumers. To study the influence level of various common sources, the researcher has important sources, after a
careful selection of them.

From the table 4, it is clear that, all the selected sources have shown uniformly a high or a medium level of influence over the purchasing pattern. Among the sources, Television commercials have recorded a high level of influence having an average score of 4.2.

Secondly, print media has accounted for an average score of 3.9 and has shown a high level of influence on purchasing pattern.

Thirdly, the relatives / friends / colleagues recorded for an average score of 3.7 showing a high level of influence on purchasing pattern.

Fourthly, the earlier users, has recorded an average score of 3.6 and has shown a medium level of influence in the purchasing decision.

Fifthly, suppliers/dealers and exhibitions/ trade fairs, each have accounted for an average score of 3.4 respectively and shown a medium level of influence in the purchasing decision.

Sixthly, company brochures (promotional materials) has accounted for an average score of 3.2 and shown a medium level of influence in purchasing decision. This will give complete technical knowledge with regard to operation/ technology/ features of the particular product.

Influence of Product Attributes in Purchasing Decision:
While consumers' purchase the products, they may be influenced by various attributes, since each consumer may prefer different sets of attributes, the researcher is interested in to identifying the level of influence of each attribute while they purchase the
durable products. For this study the researcher has selected totally eleven attributes and identified their influence in purchasing durable products. From the table 5, it is clear that, technological superiority has accounted for an average score of 4.4 and shown a high level of preference in purchasing decision. This shows clearly that consumers awareness of technological innovations.

Secondly, the brand name and features of the products each, have accounted for an average score of 4.4 and shown a high level of influence in purchasing decision.

Thirdly, the utility of the products has accounted for an average score of 4.2 and also shown a high level of influence.

Fourthly, the product availability and price of the products each, have accounted for an average score of 3.89 respectively and shown the high level of influence.

Fifthly, after sales service has accounted for an average score of 3.8 and shown a high level of influence.

Sixthly, promotional activities of the companies has accounted for an average score of 3.5 and shown a medium level of influence.

Finally, credit facilities and hire purchase has accounted for an average score 3.2 and shown a medium level of influence in purchasing decision. Thus even though some of the attributes have shown a high level and others a medium level influence, the difference stands only in priority of attributes influencing the purchasing decision.
Influence of "Sales Promotional Policy" of various companies:
Promotional policies widely cover all activities that promote the given products by the companies. These include advertising, sales promotion, personal selling and publicity, the objectives of which are different.

For studying this, the researcher has selected totally seven conditions, which are very common in usage. They are; attractive price, exchange offers announced by companies / dealers, free gift announced by companies / dealers, combined economic offer (dual/multi purchase), money refund offer, discount/ allowance offer and contest/ free offer announced.

From the table 6, it is clear that attractive price has accounted for an average score of 3.8 and shown a high level of influence on consumers' purchase. Exchange offer announced by the companies/ dealers has accounted for an average score of 3.6 and shown a high level of influence on consumers' purchase. Free gift announced by companies / dealers, Discount / allowance offer each has accounted for an average score of 3.5 respectively and shown a high level of influence on consumers' purchase.

Thus, the promotional policies of the companies' play a vital role in influencing the consumer decision to purchase the durable products.

Conclusion & Implications.

My research findings shows that consumer buying behaviour are influenced by social-cultural, personal, psychological, level of information & learning, economic factors and product features
and attributes. All these variables are interlinked and it is difficult to segregate influence of each.

The current work bring further insight to the foundation of social- culture's & personal effects on judgements. My results align with concepts presented in the automaticity literature (Hassain Uleman and Bargh 2005), which suggests that responses to certain situations people face in life become learned and therefore, automatic as a result of repeated exposure. Thus social-cultural personal influence might be better understood by conceptualizing it as an automatic response.

An additional insight that can be brought to bear on the current thinking in cultural psychology is the notion that two broad categories of knowledge, culture and personal contend to govern judgments.

Under these conditions, knowledge that presents normative, culture based rules comes into play, but when people are more thoughtful in developing judgements, knowledge that departs from these rules becomes prominent in the mind sparking an internal debate. Apparently, ideas and thinking that are consistent with normative attitudes are often espoused, as a 'default', though notably, more unique, idiosyncratic thoughts come to the fore of the mind when people reflect on their more private experiences. These personal reflections allow the unique "individual" within every person, rather than socio-cultural part, to emerge.

Another important finding from my research is that brand,
technological superiority, product features, product utility, product price and product's sales service have a very high influence on consumers buying behaviour.

The result of the study also showed that advertising through various channels served as the respondent's major source of awareness of products. A combination of different media both electronic and print along others are being employed. Of these, however, television is seen as the most potent and effective medium which most consumers cited. This implies that television, as a medium of advertising product has more impact on the respondents when compared with any other media being used for the same purpose.

Another important result was that in decision making it is the male dominance which is most prominent.

Towards the end, I am of the view that the implication & result of this study is that the marketers are advised to carry out the following.

(i) Research continuously into quality improvement that will make consumers enjoy good value for money.
(ii) Develop more effective advertising campaign that attracts consumers' attention and capture their interest.

The message must be strong and appealing enough to persuade and build brand preference, encourage switching to the company's brand by changing the perception of the consumers of rival brands.