Chapter I

Introduction
I. INTRODUCTION

Consumer behaviour has been always of great interest to marketers and to succeed in the dynamic and rapidly evolving environment, marketers are required to know all that they can about the consumers.

In this century, one can see many developments and changes taking place, with industries and firms trying to keep pace with the changes to suit the diverse needs of the people. This can largely be attributed to the prevailing market situation. Not only has competition become intense but also with the market being flooded with too many products, the challenge before marketer is to understand the diversity of consumer behaviour and offer goods and services accordingly.

In such an environment the knowledge of consumer behaviour helps the marketer to understand how consumers think, feel and select from alternatives like products, brands and the like and how the consumers are influenced by their environment, the reference groups, family, salespersons and so on.

I.I IMPORTANCE OF CONSUMER BEHAVIOUR

Today the company’s image is built and made known by its customers. Thus the success of a firm is determined by how effective it has been in meeting the diverse consumer needs, by treating each customer as unique.
A consumer market covers all individuals and households who buy goods and services for personal consumption. The marketers are faced with a complex task, as they have to evaluate the consumer buying behaviour, which includes the decision process that precedes and determines the whole act.

With the opening up of the market in the post liberalization period, many companies have entered the market offering a variety of goods and services. This has made each marketer to realize that he has to constantly upgrade the knowledge of his consumers of his products by using new techniques. There is a new consumer emerging today, who is the choice-empowered customer, who decides of the fate of the product or service at the market place.

Marketers have observed a change in the psychological behaviour of the consumers. There is an increasing awareness among the consumers of the changes taking place around them resulting in an urge to purchase of various goods and services. There is a positive buying motive shown by the consumer. This is due to the changes in family, social and cultural influences, the satellite T.V bringing with it information filled with rich images and data on the global lifestyle. All this has resulted in making the consumer individualistic in the present era of ever-changing consumer taste. At the same time, marketers and more so the manufacturers of various products and services are responding by making adjustments, with the focus of attention on the behaviour of the consumer at the market place. The consumers are also aware of the realities at the market place.
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Consumer behaviour is often studied because certain decisions are significantly affected by their expected actions. For this reason, consumer behaviour is said to be an applied discipline. Such applications can exist at two different levels of analysis. First the micro perspective – application of this knowledge to problems faced by the individual firms and organizations. Second, the societal perspective that applies knowledge of consumers to aggregate-level problems, faced by large groups or by society as a whole.

The micro perspective involves understanding consumers for the purpose of helping a firm or organization to accomplish its objectives. Advertising managers, product designers, and many others in profit-oriented business are interested in understating consumers in order to be more effective in their tasks. On the macro, or aggregate level, consumers collectively influence economic and social conditions within an entire society. In market systems based on individual choice, consumers strongly influence what should be produced, for whom it should be produced and what resources should be used to produce it. Consequently, the collective behaviour of consumers has a significant influence on the quality and level of people’s standard of living.

1.2 DETERMINANTS OF CONSUMER BEHAVIOUR

The purchase decisions of consumers do not arise in a vacuum. They are moulded by factors like, the ways in which they are raised, their personal interests and values, and the demands of their daily lives. A consumer’s buying behaviour is influenced by cultural, social, personal and
psychological factors. Most of these factors are uncontrollable and beyond the hands of marketers but they have to be considered while trying to understand the complex behaviour of the consumers. The influence of these factors on buying behaviour is shown in Figure 1.1.

**Figure 1.1**

*Determinants of Consumer Behaviour*

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<table>
<thead>
<tr>
<th>Cultural Factors</th>
<th>Social Factors</th>
<th>Personal Factors</th>
<th>Psychological Factors</th>
</tr>
</thead>
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<tr>
<td></td>
<td></td>
<td>4. Economic Constraints</td>
<td>4. Beliefs</td>
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<td>5. Lifestyle</td>
<td>5. Attitudes</td>
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<td>6. Personality</td>
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<td>7. Self-concept</td>
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</tbody>
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1.3 LIFESTYLE – A DETERMINANT OF CONSUMER BEHAVIOUR

Several researchers in the field of consumer behaviour have followed different styles and used different rules in making decisions. Studies have been conducted to find the influence of various factors on consumer behaviour. People of the same demography behave differently, based on their personality traits. It appears that persons of different personality traits hold different beliefs about what is the right choice. This fact has led the researcher to probe the secrets of this thinking and attempt to classify consumers who are likely to hold similar beliefs and lifestyles.

For marketers the primary means of describing the market segment has always been demographic. However demographics, loses its ability to help a business firm in maintaining competitive advantage over others, since all firms in a product category soon get to know the demographic characteristics of their target markets. Lifestyle variables are often referred to as AIO’s -

A - How a consumer spends his time
I - A consumer’s preference and priorities
O - How a consumer feel about a variety of things and events
According to Boyd and Levy, \(^2\) "Everyone's life has a style of some kind and he wishes to develop it, sustain it, show it and make it a coherent and visible thing that other people can recognize". Because of the coherence and visibility of lifestyles, those who share them are likely to react similarly to the marketing communication to buy the same or similar product. In this study, the researcher emphasizes the importance of lifestyle and its influence on the consumer's purchase behaviour.

This involves evaluating the consumer's attitudes, interests and opinions and co-relating them to their purchasing and consuming patterns. Since the activities, interests and opinions are externally exhibited attributes, it is possible to classify these attributes, and classify the people according to the attributes.

1.4 LIFESTYLE – Definitions

The Lifestyle of individuals has been of much interest to marketers. During the late 1960's in response to the pressing need to better understand their customers, marketers started to combine demographic analysis of their customers with information on their lifestyles.

A lifestyle is a distinct mode of living in its aggregate and broadest sense. It presents the everyday behaviorally-oriented facets of people as well as their feelings, attitudes, interests and opinions. It embodies the patterns that develop and emerge from the dynamics of living in a society.

According to Batra, Mayers and Aaker, “Life style is a person’s patterns of interests opinions and activities combined together. It provides a very rich and meaningful picture of a person. It includes information concerning attitudes and personality traits”.  

“Life style refers to the ways people allocate time, energy and money they value. Marketers conduct research to measure and compare people’s attitudes, interests and opinions. In other words what they usually do, how they behave, what intrigues or fascinates them and what they believe or assume about the world around them, are studied. 

Lifestyle is basically how we live. It is how we enact our self-concept. It is determined by our past experiences, inmate characteristics and current situations. Hawkins, Besta, and Cooney (2002) describe life style as a function of inherent individual characteristics that have been shaped and formed through social interaction as one evolves through the life cycle. Thus lifestyle is influenced by factors like culture, values, demographics, subculture, social class, reference groups, family, emotions and personality.

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To identify more meaningful segments in the market, consumers are grouped according to clusters of attitudes, values and behaviour patterns they hold in common. Such descriptions are referred to as “lifestyles”.6

Lifestyle is a mosaic or pattern of living a particular consumer adopts for himself, which later even dictates his behaviour. After all, lifestyle cannot be hidden. It is constantly manifested among other things by the purchasing and consuming behaviour of the person.7

1.5 LIFE STYLE AND CONSUMER BEHAVIOUR

In traditional societies, caste, village, or family largely dictates ones consumption options. In modern consumer society, however, people are freer to select the set of products, services and activities that define themselves and, in turn, create a social identity that is communicated to others. One’s choice of goods and services indeed makes a statement about who one is and about the type of people with which one desires to identify and even those whom one wishes to avoid.

One’s desired Lifestyle influences one’s needs and desires and thus, one’s purchase and behaviour. It determines many of one’s consumption decisions that in turn reinforce or alter one’s lifestyle. The influence of lifestyles on the consumption behaviour is shown in the Figure 2.

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Figure 1.2

Life style and Consumption Process

<table>
<thead>
<tr>
<th>Lifestyle Determinants</th>
<th>Life style</th>
<th>Impact of Behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographics</td>
<td>How we Live</td>
<td>Purchase</td>
</tr>
<tr>
<td>Subculture</td>
<td>Activities</td>
<td>How</td>
</tr>
<tr>
<td>Social Class</td>
<td>Interests</td>
<td>When</td>
</tr>
<tr>
<td>Motives</td>
<td>Likes / Dislikes</td>
<td>Where</td>
</tr>
<tr>
<td>Personality</td>
<td>Attitudes</td>
<td>What</td>
</tr>
<tr>
<td>Emotions</td>
<td>Consumption</td>
<td>With Whom</td>
</tr>
<tr>
<td>Values</td>
<td>Expectation</td>
<td></td>
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<tr>
<td>Household life</td>
<td>Feeling</td>
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</table>


In a consumption environment, a person chooses a product or a brand, which indicates a maximum possibility of the definition or elaboration of his life style identity. Alternatively, a person makes a choice in a consumption environment in order to define or actualize his life style, identify it through the products or brands chosen. It can be assumed that the individual's consumption behaviour can be predicted from an understanding of how he presents his world to himself, if the details of his life style system are known.

The relationship between life style construct and consumer behavior can thus be seen as the individual's relationship between his purchases and
use of products and services. Products and services are selected, purchased
and consumed by the individuals, in order to define, actualize or extend their
life style identity. Consequently, this notion supports the proposition that
there is a causal impact of the individual's life style on his consumption
behavior.

1.6 LIFE STYLE AND MARKETING STRATEGY

The primary purpose of life style analysis has been the description of
the general market place. Demographics alone do not give a complete
picture of the consumer, thus hampering the marketer in describing the
market to its full potential (Cooper, 1984).^8

Bone (1991)^9 indicates that the use of demographic characteristics
such as age, discretionary income, and employment status can be
misleading. The use of chronological age, a common method of classifying,
is not as closely related to behaviour as is psychological age (Barak &
Rahtz, 1989^10; Bartos 1980)^11. Although the use of discretionary income as
a segmenting tool is interesting due to its closeness to spending behaviour, it

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Psychographics Segmentation," in D.M Klein & A.E. Smith (Eds), Proceedings of
the Annual Meeting of the Southern Marketing Association.

Marketing, 5 (Winter), pp 47-60.

and Psychographic Dimension," in R.E Kriner & G.T Baker, III (Eds) , Advances in
Health Care Research, Silver Springs, MD: American Association for Advances in
Health Care Research, pp 47-51.

(Jan/Feb), pp 140-48.
does not take into consideration such factors as activity levels, personal interest, health, or discretionary time\textsuperscript{12} (Bone, 1991; Burnett & Wilkes, 1985).

By incorporating psychographic information with demographic details, the marketer would better understand the needs of the consumer. When combined with the theory of typologies and clustering methods, life style segmentation can generate identifiable whole persons rather than isolated fragments\textsuperscript{13}. Life style segmentation classifies people into different life style types, each characterized by a unique style of living based on wide range of activities, interests and opinions.

Though Product benefit or attribute segmentation has been used by marketers and advertisers to classify their markets, Wells (1972)\textsuperscript{14} has pointed out, that these measures are still inadequate in their description and analysis of the consumer as a person. It is in this area that life styles determined on the basis of activities, interests and opinions of consumers, have proved their importance.


\textsuperscript{14} William D. Wells, “Seven questions about lifestyle and psychographics”, Paper presented at 55\textsuperscript{th} \textit{International Marketing Congress}, New York city, April 1972, p 4.
Plummer (1974)\textsuperscript{15} conducted various research projects on the life style segmentation and arrived at three basic findings.

1. First, two or three life style segments account for 60\% of the total business in a product category. These segments are crucial for the success or failure in the category. They are the ones who need to be appealed to and reached through the media concentrated in marketing.

2. Second, a number of segments contain heavy users of a product and a few segments are relatively unimportant. Here, one needs to go beyond the consumption data to examine the relative position of the brands. If a brand profile matches the profile of the heavy user segments, then the task becomes one of maintaining the future position or expanding it. The segments where a brand is weak suggest the scope for a second brand.

3. Third, there are no significant differences in the consumption among the segments, but definite attitude, product function and life style similarities exist between groups of segments.

Reynolds and Wells (1978)\textsuperscript{16} found that life style analysis was beneficial to any firm, which sought to invoke the marketing concept. The most common areas of application include the process of market

\textsuperscript{15} Joseph T. Plummer, \textit{op.cit.}, pp.33-37.

segmentation, the development of product strategy and the development of the most appropriate communication strategy. The studies of Lazer (1981)\(^\text{17}\) and Jones (1982)\(^\text{18}\), indicate that lifestyle analysis is important in formulating marketing strategy.

Forrest and Blumberg (1981)\(^\text{19}\) viewed the life style as a principle which allowed management to assess accurately the needs of relevant market segment, because demographic descriptions have proved inadequate for this task. Ahmed and Jackson (1979)\(^\text{20}\) also confirmed that life style analysis could be of tremendous value to marketing managers. It facilitated the reduction of a large, heterogeneous population into a few basic groups.

Product decisions are also influenced by life style patterns, Blackwell and Talarzyk (1983)\(^\text{21}\) noted that successful retailers based on general application of life style analysis have begun to implement a portfolio management approach which focuses on the needs of the key target markets


Blackwell (1980) and Mitchell (1983) stated that life style analysis could be used to monitor changes in the population. Invariably, life style segmentation provides a redefinition of the key market. Instead of defining the target in demographic terms like middle aged bank employee with a large family and average income or in product usage pattern like the frequent user or the price buyer, life style segmentation demonstrates the diversity of those definitions, helps tighten them up and provides new definitions. In addition to the description like ‘middle aged bank employees’ life style analysis provides definitions like ‘old-fashioned homebodies’ ‘career driven and active’ and affluent urbanities’.

In the past, it was often difficult to determine the structure of a market in terms of usage patterns. Because life style segmentation provided an overview of the market in a multidimensional sense, one could often learn a good deal about the structure of the market.

Life style information can be employed to position a product based on the inferences drawn from the portrait of the consumer, both in terms of his basic needs and how the product fits into his life. It can be used to complement more commonly used information such as product benefits, unique ingredients and competitive advantages. Moreover, life style analysis can suggest new product opportunities.


As the life style segmentation provides a great deal of information on the different needs of different types of people and the potential size of these types in the population, one can examine existing products to see how well they are meeting the needs of consumer types. If a company is not certain which segment should be the target for the new product development, it can use lifestyle analysis to identify those consumers who seem to be least satisfied with existing products, and thus are more likely to respond favorably to a new product. On the basis of its findings, the company can design product and marketing strategy that specifically appeals to this market.

Life style analysis helps to explain the why of a product or brand situation. Knowledge of each segment’s life style attitudes and usage patterns enables the marketer in many situations to explain or generate hypotheses on why certain segments use or do not use a particular product or brand. It is often because of several factors interacting rather than a single one. Without the holistic view of the segments it would be difficult to observe these interactions and put them into a perspective. These insights are helpful in deciding not to appeal to particular segments when there are several barriers to conversion (or) increased usage. On the more positive side, these insights often can help explain why two similar brands are doing well. Frequently, it is because they are used equally for satisfying different sets of motivations and reasons by different types of people. Life style segmentation often uncovers this type of situation.
Aaker et al., (1982)\textsuperscript{24} endorsed the wide application of life style data and confirmed its use in promotion. For Berry (1983)\textsuperscript{25} life style segmentation can provide valuable insight into the task of creating an effective brand identity.

In short, lifestyle segmentation is useful because it provides a unique and important view of the market. It begins with the people, their lifestyles and motivations and then determines how various marketing forces fit into their lives.

The study of lifestyle often provides fresh insights into the market and gives a more three dimensional view of the target consumers. The marketing managers may be able to develop improved multi-dimensional views of key market segments, uncover new product opportunities, obtain better product position, develop improved advertising communications based on a richer more life-like portrait of the target consumer and generally improve overall marketing strategy.

The impact of lifestyle on the general purchase behaviour is shown in the Figure 3.


1.7 IMPORTANCE OF STUDY

Success of any enterprise depends on its ability to create a satisfied set of consumers. Hence all activities of the marketers should be directed towards the satisfaction of consumers, their needs and wants. To do so the marketers should have a complete understanding of the consumer's preferences.

Globalization has led to the entry of multinational companies into the Indian markets. World-class leaders in the field of consumer durables and electronic goods have launched their products in India. The Indian market for consumer electronic, is swinging up day-by-day due to the liberalization
policy of the Government of India. In the 1980’s only affluent people purchased the consumer durables like washing machine, microwave ovens, Air conditioners, and audio systems. But since liberalization, these products have moved into the middle-income market and there is an increased demand for these white goods in the middle and lower income groups. According to a study conducted in India the total retail white goods lending tends to be Rs 4000 crores with a Compounded Annual Growth Rate (CAGR) of 10% (Financial Analyst, December 2004).

Personal Loans given by various institutions have also led to the increase in the demand of these white goods in the Indian market. The total personal loan lending for the year 2003 –2004 was Rs 40,000 crores with a compounded annual growth rate of 15% (Financial Analyst, December 2004). According to a survey conducted by Business Today, December 2004, of the total loans given by the retail banks, the consumer loans had a share of 51%.

The reductions in the import duties and excise duties on the items of consumer electronics have resulted a tremendous reduction in the price of these goods making these white goods affordable to the middle class. The number of dual income families in India has also increased drastically in the last two decades. This has led to an increase in the standard of living of people in the society, which in turn has boosted the demand for consumer durable and electronic items in the Indian market.
With all these factors influencing the demand of white goods, marketers would like to know how their products would meet the needs of different consumers. Lifestyle study provides a great deal of information on the different types of people and their tastes and preferences, and determines how various marketing factors fits into their lives. This detailed knowledge of the consumers is a useful input to the manufacturers in selection of target market, identification of marketing mix, effective product positioning and the like.

The growing competition and the changing lifestyle of people in the Indian market requires an in-depth understanding and study of consumer behaviour, their lifestyle and their brand choice behavior. This study emphasises the impact of lifestyle on purchase decisions. It also analyses the various values attached to the durable products by different lifestyle segments, and also studies the factors influencing the buying decisions and brand selection.

1.8 NEED FOR THE STUDY

The potentially large market offered by India has long tantalized both domestic and foreign investors. The profile of an Indian Consumer is changed drastically which has led to changes in the consumption pattern. The rising per captia income, and the changing demographics have all led to these changes.
Rising per capita Income

During the last decade, India witnessed a high GDP growth and a decline in the population growth. GDP has averaged 6.2 per cent per annum since 1994, while the population growth rate had declined from 2.1 per cent in the early nineties to around 1.7 per cent today. These two factors have allowed the highest increase in per capita income in the country’s history. Between 1994 and 2004, real per capita income rose by 4.2 per cent per annum compared to 2.7 percent during 1984-1994 and 1.8 percent during 1974-84.

Changing demographics

The country’s population growth rate has been declining in recent years. The key factor that has allowed this deceleration is a fall in the birth rate(per 1000) from 33.9 in 1981 to 29.5 in 1991 and 25.2 in 2001. This decline in birth rate has so far been reflected in a very gradual increase in the share of population of working age. India is entering the second stage of demographic transition where the share of the working age population is expected to increase over the next three decades.

Consumption patterns

The increase in per capita income has increased the level of consumption expenditure, and changed the consumption basket itself. These changes in the consumption patterns are a good indicator of changing aspirations, lifestyles and tastes of Indians. The changing lifestyles of
consumers will generate demand and need for consumer durables. The new markets and resultant demands will influence the industry strongly.

1.9 STATEMENT OF PROBLEM

The marketing scene in India is changing at a rapid pace. It is gradually, becoming active, competitive, dynamic and challenging. To meet the challenges thrown by the market forces, a business firm has to focus on the consumers for all its marketing decisions. An understanding of the economic, psychological and sociological characteristics of the consumer alone can help to discover new market opportunities and provide a sharper segmentation of the market. It is assumed that a consumer as an individual follows his own way of living which not only includes his behaviour but also his interests, opinions and attitudes towards his environment.

1.10 OBJECTIVES OF THE STUDY

The main purpose of this study is to empirically examine the association between the consumers’ general life styles and their consumption pattern. It uses the generalized lifestyle basis in order to investigate the relationship between life style consumption pattern and brand choice behaviour. The specific objectives of this study are

1. To segment the sample consumers on the basis of their life style characteristics.
2. To define the profile of the segments in terms of the dominant life styles and demographic characteristics.

3. To identify the impact of factors influencing purchase decisions of durables on various lifestyle segments.

4. To find the influence of product attributes on the purchase decision of selected durables

5. To examine the brand choice patterns based on the life style of the respondents.

1.11 RESEARCH METHODOLOGY

The present study is descriptive in nature and adopts the survey method. A structured non-disguised questionnaire was used to collect information. Efforts were also taken to collect all the published information through available reference materials.

Product Selection

According to Stephen (1978)\textsuperscript{26} Consumer durables may be classified into four categories namely (i) Housing and home furnishing (ii) Appliances and personal care equipments (iii) information, communication, education and (iv) Transport.

\textsuperscript{26} B. Stephen “A comprehensive study on Consumer Satisfaction with Durable Products” Advances in Consumer Research Vol 5, p 55.
The consumer durable good have become a part of every family in the society. With a lot of personal finances available, products like refrigerator, Colour TV, Washing Machine, Mixie, Non stick utensils and modern cooking appliances have now come into every household.

To identify the products for the present study, 111 sample respondents were asked about the Consumer durable goods they possessed. Based on the responses, the products possessed by most of them were considered for further study.

The products used for the study were

- VCD/DVD
- Refrigerator
- Washing Machine
- Colour TV
- Air conditioner.

**Designing of the Questionnaire**

The questionnaire used for the study had three constructs. The first construct was to arrive at the demographic factors of the respondents. It had questions like the age of the respondent, education, income level, and occupation, area of residence, the type of residence and the nature of residence.
The second construct was to identify the lifestyle dimensions of the respondents. It consisted of data pertaining to the activities, interests and opinions relating to purchase behaviour, socialization, brand opinion and the like. These were studied on a five-point scale ranging from 1 – strongly disagree to 5 strongly agree. A list of 45 statements was selected after a literature survey of various studies.

The third construct was about the details regarding the durables. It had questions like the brand of the durables possessed by them both before 2002 and after 2002, the factors that influenced their purchase, the sources of information regarding the durables, their opinions regarding the need and their requirement of the products at home and the attributes that had influenced their purchase.

Pre-testing of the Questionnaire

The questionnaire used for the study was pre-tested on a sample of 111 respondents chosen randomly to identify and eliminate ambiguous terms and instructions. The required changes were made in the light of the comments received. A pilot study on 111 respondents was undertaken to find out the household appliance possessed by them and the various attributes that influenced their purchase decision. The final questionnaire is given as Annexure 1.
Reliability of Scale

Reliability of the life style construct (final version) was tested with the help of Cronbach alpha coefficient. It was found that the scale had a reliability coefficient of 0.76, which was considered sufficient and adequate for the study.

Area Of Study

The study was conducted in Chennai city in the State of Tamil Nadu in India. The rationale behind the choice of Chennai is explained below:

- Chennai is identified as “Sixth Business Friendly City out of the Top Ten Business Friendly Cities” by the Confederation of Indian Industry (CII)\textsuperscript{27} with the ranking criteria of communication, private finance, economy, and overall rating.

- The sprouting growth of Information Technology (IT) and Information Technology Enabled Services (ITES) has led to a change in the lifestyle of the people residing in the study area.

- The area is estimated to account for a major share in the total durable goods market of Tamil Nadu

- The respondents are familiar with the electronic and electrical equipments market

\textsuperscript{27} The Hindu “Doing Business in India’s Cities,” the study conducted by the Confederation of Indian Industry, April 6, 2003.
Sampling Design

Convenience sampling procedure was used for selecting the samples from the huge population of the users of household appliances in the city of Chennai. After testing its reliability, the revised questionnaire was administrated to a total of 900 respondents in Chennai city, 200 in the North Chennai, 200 in the Central Chennai and the 500 in South Chennai. The data was collected during a period of 4 month (March 2005 – July 2005).

A total of 750 response sheets were received. The scrutiny of these led to the rejection of 39 response sheets on account of incomplete responses. Thus 711 completed response sheets 143 from the North Chennai, 169 from Central Chennai and the 399 from the South Chennai were used for the present study.

Selection of Variables

The variables used in the study are

- The lifestyle dimensions
- The purchase decision

Selection of the lifestyle dimensions

A meaningful identification of lifestyle patterns requires the selection of effective lifestyle measures. In this study, Well’s and Trigert’s activities, interests and opinion measure (AIO) was adopted to operationally measure a
person's lifestyle pattern\textsuperscript{28}. This has been proved methodologically sound and valid in past studies.

In the present study the responses to 45 statements pertaining to activities, interests and opinions of the individuals were factor analyzed. Principal component analysis with varimax rotation was applied on the responses of the lifestyle construct. The resulting factors along with their factor loadings are shown in Table 1.1.

\textbf{Table 1.1}

\textbf{Table showing the factors along with their factor loadings}

<table>
<thead>
<tr>
<th>Factors</th>
<th>Factor Loadings</th>
</tr>
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<tbody>
<tr>
<td><strong>Factor 1: Spending of leisure time</strong></td>
<td></td>
</tr>
<tr>
<td>1 I actively participate in the activities of the voluntary agencies</td>
<td>0.768</td>
</tr>
<tr>
<td>2 I like to work on community projects.</td>
<td>0.692</td>
</tr>
<tr>
<td>3 I am involved in many social activities outside the house.</td>
<td>0.671</td>
</tr>
<tr>
<td>4 I enjoy active participation in voluntary activities</td>
<td>0.590</td>
</tr>
<tr>
<td>5 I always prefer those activities that make me stand out.</td>
<td>0.491</td>
</tr>
<tr>
<td><strong>Factor 2: Social orientation</strong></td>
<td></td>
</tr>
<tr>
<td>1 I have a few friends</td>
<td>0.563</td>
</tr>
<tr>
<td>2 I prefer to be in small a group of known friends in a social gathering</td>
<td>0.492</td>
</tr>
</tbody>
</table>

3 | I like parties where there is a lot of music and talk. | 0.423 |

**Factor 3: Purchase Behaviour**

1 | I find myself checking the price in the retail stores even for small items. | 0.595 |
2 | I generally prefer buying goods on credit. | 0.479 |
3 | I don’t mind buying goods on the platform after a bargain over the price. | 0.421 |

**Factor 4: Innovation adoption**

1 | I always buy new and different brands. | 0.622 |
2 | I always prefer being one of the first few to try the latest fashion. | 0.620 |
3 | I often try new brands before my friends and neighbours do. | 0.614 |
4 | I often buy new brands just to see what it is like. | 0.572 |
5 | I do buy branded products that I have never heard of. | 0.385 |

**Factor 5: Family orientation**

1 | I enjoy spending most of the free time with my family, | 0.676 |
2 | If my family member wants certain goods, I don’t hesitate to buy them. | 0.582 |
3 | I love shopping with my family members | 0.574 |
4 | In evenings, I prefer to stay at home. | 0.502 |
5 | I enjoy most of my household tasks. | 0.493 |
6 | I consider the feelings of my family before deciding to purchase a product. | 0.457 |

**Factor 6: Information seeking**

1 | I usually watch advertisement for announcement of a sale. | 0.541 |
<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>I often seek the advice of friends concerning which brand to buy.</td>
<td>0.390</td>
</tr>
<tr>
<td>3</td>
<td>Before buying goods I visit a few shops and compare the prices, models and discounts.</td>
<td>0.350</td>
</tr>
</tbody>
</table>

**Factor 7: Brand Opinion**

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>It is worth paying a higher price for a good brand name.</td>
<td>0.675</td>
</tr>
<tr>
<td>2</td>
<td>Foreign brands are better than Indian brands.</td>
<td>0.636</td>
</tr>
<tr>
<td>3</td>
<td>Branded products are more reliable.</td>
<td>0.445</td>
</tr>
</tbody>
</table>

**Factor 8: Quality Opinion**

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Guaranteed goods are of better quality.</td>
<td>0.486</td>
</tr>
<tr>
<td>2</td>
<td>All ISI certified goods are of better quality.</td>
<td>0.381</td>
</tr>
<tr>
<td>3</td>
<td>There is certainly a difference in the quality of high-priced and low-priced products.</td>
<td>0.376</td>
</tr>
</tbody>
</table>

**Factor 9: Buying Decision**

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I buy from stores I can count on the products guarantee.</td>
<td>0.706</td>
</tr>
<tr>
<td>2</td>
<td>I pay cash for everything I buy.</td>
<td>0.657</td>
</tr>
<tr>
<td>3</td>
<td>I prefer patronizing a few selected shops for my shopping.</td>
<td>0.582</td>
</tr>
<tr>
<td>4</td>
<td>I don’t keep any durable product for more than 5 years.</td>
<td>0.558</td>
</tr>
<tr>
<td>5</td>
<td>I feel comfortable shopping in small departmental stores in my neighborhood than in large shopping malls.</td>
<td>0.453</td>
</tr>
</tbody>
</table>

**Factor 10: Perception**

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Advertisements present a true picture of the product advertised.</td>
<td>0.555</td>
</tr>
<tr>
<td>2</td>
<td>I regularly visit beauty parlor to look attractive.</td>
<td>0.550</td>
</tr>
<tr>
<td>3</td>
<td>One must simply take events as they come and make best use of them.</td>
<td>0.540</td>
</tr>
<tr>
<td>4</td>
<td>In my view wearing trendy clothes helps me to be a part of the social circle</td>
<td>0.539</td>
</tr>
<tr>
<td>5</td>
<td>Good grooming is a sign of self-respect.</td>
<td>0.519</td>
</tr>
</tbody>
</table>
The 45 statements got reduced to 10 factors or variables. The variables selected for the study are

- Spending of Leisure time
- Social orientation
- Purchase Behaviour
- Innovation Adoption
- Family orientation
- Information seeking
- Brand opinion
- Buying decisions
- Quality opinion
- Perception of life.

<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>In my view, life is short and one must enjoy it as much as one can.</td>
<td>0.509</td>
</tr>
<tr>
<td>7</td>
<td>Attractive dress boosts self-confidence.</td>
<td>0.412</td>
</tr>
<tr>
<td>8</td>
<td>A party without liquor is not a party.</td>
<td>0.365</td>
</tr>
<tr>
<td>9</td>
<td>Unless you have some specific reasons to save, it is better to spend money and enjoy.</td>
<td>0.362</td>
</tr>
</tbody>
</table>
Selection of purchase decision variables

The purchase decisions of the consumers are influenced by various factors like the influencers, the media, the perception of the consumers regarding the products, the attributes and the after sales service factor. The purchase decision variables selected for the study are

- The influencers
- The sources of information
- The perception of the consumers regarding the need for the selected durables.
- Opinion on the purpose of purchasing the selected durables
- The attributes of the products.

ANALYSIS OF DATA

The primary data collected from the consumer were analyzed using the following statistical tool using SPSS package.

Factor analysis: In order to identify the lifestyle dimensions, the responses were factor analyzed. Principal component analysis with varimax rotation was applied on the responses of the lifestyle construct. The 45 AIO (Activities, Interest, Opinion) statements got reduced to 10 factors or variables. The variables selected for the study are Spending of Leisure time, Social orientation, Purchase Behaviour, Innovation Adoption, Family
orientation, Information seeking, Brand opinion, Buying decisions, Quality opinion and Perception of life.

**Cluster analysis:** Cluster analysis was applied to segment the sample respondents on the basis of their life style characteristics. K mean clustering technique was applied to the lifestyle dimensions. By trial and error method, a three-cluster solution was arrived at. Canonical discriminant analysis was applied to find out the validity of the three-cluster solution. The reliability of the ten-lifestyle dimensions was analyzed through analysis of variance.

**Multivariate analysis:** The impact of the demographic variables on the lifestyle characteristics was studied using the multivariate analysis. The same was also used to study the impact of the demographic variables on the purchase decision of the selected durables, based on the attributes of the products.

**ANOVA:** Analysis of variance was used to find out the impact of the influencers (family members, friends and relatives, company salespersons and the Dealers) on the purchase decision of the durables among the cluster members. It was also used to analyze the influence of the selected attributes of the products on the respondent’s purchase decision of the durables.

**Paired Sample Test:** To analyze the perception of the respondents regarding the requirement of the selected durables paired sample test was applied.
orientation, Information seeking, Brand opinion, Buying decisions, Quality opinion and Perception of life.

**Cluster analysis:** Cluster analysis was applied to segment the sample respondents on the basis of their life style characteristics. *K* mean clustering technique was applied to the lifestyle dimensions. By trial and error method, a three-cluster solution was arrived at. *Canonical discriminant* analysis was applied to find out the validity of the three-cluster solution. The reliability of the ten-lifestyle dimensions was analyzed through *analysis of variance*.

**Multivariate analysis:** The impact of the demographic variables on the lifestyle characteristics was studied using the multivariate analysis. The same was also used to study the impact of the demographic variables on the purchase decision of the selected durables, based on the attributes of the products.

**ANOVA:** Analysis of variance was used to find out the impact of the influencers (family members, friends and relatives, company salespersons and the Dealers) on the purchase decision of the durables among the cluster members. It was also used to analyze the influence of the selected attributes of the products on the respondent’s purchase decision of the durables.

**Paired Sample Test:** To analyze the perception of the respondents regarding the requirement of the selected durables paired sample test was applied.
Chi Square Test and Correspondence Analysis: Chi square test was used to find out if the respondents differed in their demographic variables. The chi square test and the correspondence analysis were applied to study the brand choice behaviour exhibited by the lifestyle segments.

1.12 LIMITATIONS OF THE STUDY

The study has a few limitations

1. Unlike demographics, many lifestyle factors are difficult to measure and are somewhat subjective, usually based on the self-report of consumer and sometimes hidden from view. Lifestyle scales were developed in the U.S. for their population and the application of the same in India needed careful adjustments. The selected lifestyle items were hence screened for use with the help of a pilot study and necessary changes were made.

2. From a list of over more than 100 lifestyle variables only 10 were selected keeping in mind the nature of the study and the relevance of variables for determining the lifestyle of the consumers.

3. The data was collected only from Chennai city. A broad generalization of the result may not be valid for the whole state or the country.

4. The durables market is very large. The present study covers only 5 household appliances.
5. Any study of consumer behaviour can't provide enduring findings over a time as behaviour changes. Therefore, the findings of the study may indicate contemporary views of the consumers and may not hold for all time and for all product categories.

1.13 CHAPTER ARRANGEMENT

The study is presented in seven chapters.

Chapter I – Introduction: This introductory chapter introduces the subject matter, explains the problem and characteristics of the consumer market, the determinants of consumer behaviour and lifestyle as a determinant of consumer behaviour. It explains the importance and objectives of the study. It also describes the methodology, the selection of variables, the reliability of the scale and the limitations of the study.

Chapter II – Review of Literature: This chapter deals with the theoretical foundation of lifestyle, consumer behaviour, purchase decision and the consumer expectation of attributes, as presented by the past literature relevant to this study.

Chapter III – Lifestyle Segments: This chapter provides a detailed analysis of the clustering of respondents into lifestyle segments. It explains the profile of each of the segments on the basis of the respondents dominant lifestyle characteristics and demographic variables. It also studies the impact of the demographic variables on lifestyle characteristics.