As opined by Leon. G. Schiffman and Leslie Lazar Kanuk, the study of consumer behaviour is the study of how individuals make decisions to spend their available resources (time, money and effort) on consumption-related items. It includes the study of what they buy, why they buy it, how often they use it. According to Philip Kotler learning about the 'whys' of consumer behaviour is not so easy as the answers are often locked deep within the consumer's head.

There are a number of studies about consumer behaviour world-wide. But only a few studies are there which have been conducted in the Indian context. A comprehensive study is yet to be done in Kerala.

The researcher has gone through most of the available literature on consumer behaviour in India and abroad and a brief review of various studies is given below. They are broadly divided under four heads namely:

1. Studies relating to the internal influences on Consumer behaviour
2. Studies relating to the external influences on Consumer behaviour
3. Studies relating to Consumer decision making
4. Studies relating to Consumer perception about promotion strategies
2.1. Studies relating to Internal Influences on Consumer Behaviour

In this section studies pertaining to the internal influences on consumer behaviour are given. The internal influences consist of perception, learning, memory, motives, personality, emotions and attitudes.

According to Nelson (1970), for experience goods whose attributes are determined through use, the seller knows the quality of the goods, but the buyers do not. If the buyers cannot identify a sellers' product quality, they may rely on some signal to influence their purchase decision, for e.g. price.

As per Howard's findings (1977) the served market is expected to have expectations and that reflect consumers' ability to learn from experience and predict the levels of quality and value they receive.

In the opinion of Oliver (1980) the satisfaction appraisal of consumers is believed to occur as a two stage process. In the first stage, post usage beliefs about the product attributes or outcomes actually realised are compared with pre-purchase expectations yielding a new belief about the expectation disconfirmation. In the second stage expectancy disconfirmation beliefs and initial expectation beliefs as recalled from memory are combined additively to produce satisfaction evaluation.

In their study Etgar and Malhothra (1981) opine that 'Price' is often used as clue for predicting brand quality as price is almost always available and is easy to understand.

Duncan and Olshavesky (1982), in their study, report that customer market beliefs influence the degree of external information search and store type choices.

In the opinion of Hol brook et al. (1982) the variety seeking or exploratory purchase behaviours are thought to be explained by experimental
or hedonic motives rather than by utilitarian aspects of consumption. Variety seeking has been identified as a determinant factor in brand switching and is relevant to brand managers interested in developing strategies to increase brand share and has played a key role in the modelling of purchase pattern from consumer choice data.

Consumer perception of certain product features of steel almirah was studied by Manmohan and Prabhakar (1989). It was found that Godrej was perceived to be the most expensive and most durable almirah with good quality and best locking system. Best after sales service, best finish, maximum security and easy availability were the special features found by consumers in the product of Godrej, as per their study.

According to Jacobson and Obermiller (1990) price expectations serve as an important frame of reference used by consumers in evaluating price information prior to purchase. The lower the price of the product, the lower the economic cost to the consumer and the higher the likelihood of purchase.

In the opinion of Bhasker (1990) markets and advertisers ignore the fact that when the level of involvement of the target segment with the product category is low, there is very little pre-purchase decision making, low awareness of brand images and consequently no brand search or brand evaluation.

Shocker et al. (1991) propose that choice set information in the low involvement categories is rooted in difference of salience across brands.

The concept of brand exclusivity was introduced by John and Stephan (1993) to describe the attainment of "exclusive value" status by a product or service. They opine that price itself can be one of the factors which reinforces a positive, even exclusive brand image in the mind of the customer. According to them certain underlying perceived consumer needs or value
assignments give rise to perception of exclusive values. As a consequence certain needs or motivators called psychic factors associated with the product result in the exclusive value premium for the product.

A number of consumer market beliefs related to key dimensions of products and marketing were studied by Frank Alpert (1993). According to him one reason for the confidence that consumers have in national brands is their strong belief that a brand's quality is the most important determinant of its success. Majority of the respondents believe that higher prices do not indicate better quality and they believe in brand loyalty. They disagree that the most heavily advertised brand are usually among the best brands. However, they are not averse to sales promotion methods.

Holbrook and Schindler (1994) in their study using data pertaining to tastes for popular culture, supported and extended their previous finding that consumers tend to form enduring preferences during sensitive period in their lives. They used psychographic measure of the consumers' attitude towards the past to moderate this tendency. The difference between male and female respondents suggest that the experience of strong positive feelings plays the causal role.

A theory of evolution of choice decisions for consumer durable products was developed by William and Narasimham (1994) which addressed information acquisition behaviour and the duration of the purchase deliberative process itself.

Hans et al. (1996) separated variety seeking from other causes of purchase exploration such as the decision strategy, situational variables and normative factors. The distinction between true variety seeking behaviour and derived varied behaviour depends on whether observed switching behaviour is intrinsically or extrinsically motivated. The key point is that
even though 'intrinsic and extrinsic motivation lead to the same behaviour, i.e., brand switching, the underlying causes are different.

Bronnenberg et al. (1996)\textsuperscript{16} opine that a consumer's brand choice decision in low involvement categories does not involve full search, evaluation and comparison of price information of all brands available at the point of purchase. They propose a two stage choice process in which the consumer first identifies a subset of brands within the universal set of brands called the choice set and then evaluates only those brands that are in the choice set relative to one another to select a single brand.

Richard et al. (1996)\textsuperscript{17} proposed a new model of satisfaction information process that builds on the disconfirmation paradigm by specifying a more comprehensive model that includes two standards in a single model and specifically incorporated the impact of marketing communication. The model proposes that feelings of satisfaction arise when consumers compare their perceptions of the performance of a product and service to both their desires and expectations. The comparison process produces not only feelings of satisfaction with the information often supplied by marketers in such forms as advertising, package information and sales person communication on which these expectations are based.

2.2. Studies relating to the External Influences on Consumer Behaviour

Studies pertaining to the external influences on consumer behaviour are given in this section. External influences consists of culture, subculture, demographics, social status, reference groups, family and marketing activities.

Davis and Rignaux in their study conducted in 1974 on husband-wife influence on problem recognition, information search and final decision phases of customer choices, observed a clear pattern of wife dominance in
decision making regarding kitchen ware, household cleaning products, foods and clothing of wife and children.\textsuperscript{18}

Consumers attitude towards advertising was studied by Kishore Chandra Raut (1987).\textsuperscript{19} As per this study consumers believe that advertising makes them buy things which they really do not need, advertising increases the cost of the product, sex appeals in advertisements adversely affect the moral attitude of the society. Majority favour restriction on advertising.

Bhavani Prasad and Sita Kumari (1987)\textsuperscript{20} in their study on the impact of advertising on consumer durables market found that friends are the main influencers followed by relatives in the purchase of refrigerators. Most of the consumers interviewed had purchased their refrigerators after consulting only on shop through dealers. According to them in cities purchase decisions are influenced by advertisements than other factors.

Namasivayam (1988)\textsuperscript{21} in his study on advertising media preferences and the influences of socio-economic factors revealed that illiterate consumers prefer the medium of cinema for advertising of toilet soaps, educated consumers prefer television and news paper as the medium for advertisement and the contributing factor responsible for the selection of a particular brand of toilet soap is the image that producers have created in the minds of the public.

As per the study conducted by Shanmugha Sundaram and Reginald James (1990)\textsuperscript{22}, to determine the demographic and psychological factors that influence the pattern and selection of soft drinks and tetra pack drinks, the television has the most impact with regard to advertisement. Convenience in carrying and hygienic factors are the contributory factors in the purchase of soft drinks.
In his article Rao (1991)\textsuperscript{23} opines that regarding the rise of middle class in Indian market a revolution is taking place in both rural and urban India. The NCEAR market structure studies show fantastic growth in purchase of all kinds of consumer durables and consumer products in rural and so called 'low income' families- Labels such as necessities and luxuries that have so long been attached to many things are no longer valid. Knowing the customer, his wants, needs, habits, attitudes and competition has now become of paramount importance.

In their study on age difference in children's choice behaviour, Debroah and Ramnath (1992)\textsuperscript{24} have examined how children of different ages respond to the addition of new alternatives in to an existing choice set. The findings indicate that younger children respond differently than older children to the expansion of choice set and this pattern is related in part to age differences in children's ability to incorporate similarity judgements in to the choice process.

A study was conducted by Shivaram Dass (1993)\textsuperscript{25} on consumption and demand for pulses by various income groups for rural and urban India. It was found that the per capita consumption of pulses declined for all income groups, for all states and for rural and urban areas even though there was an increase in the real percapita income and expenditure during 1960-61 to 1990-91 at an annual rate of 1.7 per cent. The per capita monthly consumption of pulses was approximately equal for rural areas than for urban areas. For the lower income groups of rural and urban areas, the consumption of pulses was a luxury, but for higher income groups it was a necessity.

Meenakshi, in her study (1996)\textsuperscript{26} reports that food demand in India has clearly been characterised by changing preferences. These shifts appear to be better characterised by time dependent marginal budget shares than by changing subsistence parameters. The changes in preference appear to be in a
direction away from cereals and towards the more expensive milk, poultry and meat products.

2.3. **Studies relating to Consumer Decision Making**

Traditionally, market researchers were content with gathering quantitative information and surveying shoppers in stores or through the mail.

How individuals and organisations make decisions, along with the promotional implications of the process, is the subject of studies conducted by many researchers. The gist of such studies is given below.

In his study, Singh (1980) analysed consumer's store loyalty and preference and the nearness, reputation of the store and acquaintance with the store owner were found to be the reasons for store loyalty. While analysing the correlation between store loyalty and brand loyalty, store loyalty was found stronger than the other.

Dhumma (1984) in his study on consumers preferences for soft drinks found that taste and refreshing ability were the major factors influencing for preferring a particular brand. According to him non-availability of the most preferred brand results in brand shifts.

Thomas Exter (1986) opines that greater the number of acceptable brands in a specific product category, the less likely is the consumer to be brand loyal to one specific brand. Conversely, the products having a few competitors as well as those purchased with greater frequency are likely to have greater brand loyalty.

In their research on buyer behaviour towards generic products in United States, David and Paul (1987) revealed a strong relationship of perceived product quality and price in the propensity of consumers to buy
generic products. Demographic, psychographic and shopping behaviour
variables were found to be weakly correlated with the purchasing of generies.

Venkiteswarulu *et al.*, in their study (1987) on factors influencing
consumer decision making process towards biscuits found that the consumers
in the sample used to purchase biscuits at least once in a week. Packed
biscuits were found to be preferred by them to loose ones and small packets to
big ones. In decision making, parents and children were found more or less
equally involved and consumers were found to be brand loyal. Perceived
quality and taste were found to be the important influencing variables.

In his study on demand potential of mechanical utensil cleaners, Verma
(1987) observed the following. House wives are willing to buy cleaner and
they wish to possess a cleaner with a drier. The most preferred colour is
cream. Older ladies are lesser receptive for the mechanical appliances.
Educated women are more receptive. House wives are more interested in the
purchase than working women. Price is of no consideration in the case of
institutional buyers like hotels, restaurants etc.

Hundal and Sandhu (1987) in their study on the influencing factors in
the purchase of television found that big events of the sort of Asian Games
has influence on the timing of purchase of television. Reasonable price and
dependable service were found to be reasons for buying- Consumers were
found to be brand loyal. Joint decision making was shown by majority of the
buyers.

Gathiawala (1987) in his study on demand variables of middle class
house wives at Ahmedabad on purchasing of textile products observed the
following. Majority of house wives tend to go for purchasing, along with
their husbands. Aged, better educated and employed women prefer to go
alone- greater proportions of house wives prefer to purchase their
requirements as and when the need arises and that too in needed lots. Colour, quality, design, price, skin complexion, aesthetics of body, social acceptance, advertisement, persuasion by traders, fashions and professional requirements were found to be the factors which influence their purchase.

Majority of the consumers were found to posses black and white Televisions by Gupta and Singh (1989)\textsuperscript{35} in their study on consumer brand choice behaviour for television. Durability, brand image and price were found to be the reasons for preference followed by family liking and after sales service.

Pradeep Kumar (1989)\textsuperscript{36} in his study on consumer behaviour with respect to tonics, reports that people in all age groups take tonics. He observes that specific correlation between the respondents' profession and the consumption pattern of tonics among family members. People use tonics for curative as well as prophylactic reasons. According to him family physicians are the major information sources and quite a large number of consumers are favourably influenced by advertisement and other promotion strategies.

While studying the awareness of consumers towards food products, drugs, cosmetics and certain services like banking services, life insurances etc, Thamilingam and Kokkadai (1989)\textsuperscript{37} observed that consumers make purchase decisions before buying food items, look for the label on food products, demand products information at the time of purchase and give importance to trade marks and quality.

Kamakura \textit{et al} (1989)\textsuperscript{38} observed that consumers generally switch among brands in certain price range.

In the opinion of Natarajan (1990)\textsuperscript{39} consumers have better awareness about ISI mark and its benefits. They have favourable attitude about the quality, performance and dependability of goods with ISI mark.
Economy, price, brightness and durability of the tubes were found to be the reasons for purchase of fluorescent tubes by Raviprakash et al (1991)\textsuperscript{40} in their study on consumers behaviour with respect to fluorescent tubes.

Ravidhar and Itamar (1992)\textsuperscript{41} suggest that attractiveness and choice probability of an alternative can be enhanced by making it the focus of comparison with competing alternative. This proposition is supported in choice problems involving alternatives about which consumers have information in memory. When description of alternative features were provided, a manipulation of the focal option had a weaker and less consistent effect on preferences.

While assessing the cement market, Venkateshwarlu and Sekhar (1992)\textsuperscript{42} found that consumer awareness is very high for certain brands like Rasi, ACC, Orient, Priya and KCP. Consumers by and large are unequivocal in their response. The main reason to select a brand of cement is quality which is judged by its colour and setting time.

In his article, Takeshiyamada (1992)\textsuperscript{43} opines that in order to increase the level of customer satisfaction we need to surpass the customers' original expectations. Customers' expectations vary with social environment and national character of each nation and also because of different service conditions and quality standards of the industry in the nation.

In the opinion of Tridip (1993)\textsuperscript{44} consumers do not evaluate a new product in isolation, instead the evaluations are made relative to a reference product which is the consumers' next best alternative to the new product. For potential adopters to perceive the benefit of the adoption, a new product must offer certain additional need satisfying properties relative to those offered by the reference product.
Husband and wife influence in family decision making was the subject of the study of Maryline Lavin (1993). She states that the couples are not eager to change fundamentally traditional buying roles.

Anandha Krishna (1994) built a purchase quantity model to contrast normative behaviour of consumers who have knowledge of the future price deals with that of those who do not. Consumers with knowledge of future deals could be more likely to purchase on low value deals and deals on less preferred brands compared with consumers with out knowledge of future deals.

In their study on buying behaviour for two wheelers, Shukla and Bang (1994) infer that people generally try two wheeler for their personal conveyance. People rely mostly on their personal experience, mechanic's advice and word of mouth publicity as the sources of information. Safety, required maintenance and mileage are the important criteria in purchase decision. People in general perceive big differences in the prices, suitability to lady drivers, mileage and resale value amongst various models available in the market.

In his research paper Metwally (1994) attempted to determine the main factors affecting the decisions of import agents in the Middle East to import consumer goods from a specific country using discriminant analysis. It was found that quality, price, and credit facilities were the most important discriminators between the two groups of agents.

While examining the consumers preference for factors which affect walnut consumption, Gurusharan (1995) found that nutritive value emerged as the factor of highest importance followed by medical value. Easy digestibility and keeping quality were ranked the lowest. The consumption of walnut in rich families (average upper middle class) was found to be four
times more than that of poor people. Influence of factors like education and family size was found to be insignificant and disposable income was found to be a significant determining factor towards consumption of walnut.

As per the study of Mani and Jose (1995)\textsuperscript{50} younger age groups are more attracted towards exhibitions. They also found that majority of respondents were from low income groups and had secondary education and they had increase desire to visit exhibitions and similar mass shows. Clothing, kitchen wares, seeds, eatables, cosmetics, bangles and toys were found to be at the top in the list of priority items of purchase. Rare nature of product, better selection and fancy value were found to be the prompting reasons for purchase for the rural and urban people.

According to Freda (1995)\textsuperscript{51} for a consumer durable good, the family members together decide on the product to be purchased, brand and shop.

Purchasing practices of consumers of Parbhani town was the subject of the study conducted by Kulkarni and Murali (1996).\textsuperscript{52} As per their observations in majority of households, purchases are done by husbands alone or jointly with wives. Most of the consumers prefer quality of goods while purchasing. They usually buy goods from retail shop for cash.

The brand name, picture quality, price, availability, service, design, sound system and number of channels were found by Abdul Azees (1996)\textsuperscript{53} to be the factors that influence purchase of televisions. He could see slight difference of opinion between dealers and customers with regard to important features of television. In his opinion the consumers are aware of the multinational companies (MNCs), but majority are willing to purchase an Indian brand. The analysis also reveals that Indian TV choice is made mostly on quality basis but multinational TV choice is made mainly on brand name basis.
In his study, Wansink (1996)\(^{54}\) focused on packaging influences on usage behaviour of two different products in two different package sizes. As per his study, the larger a package size, the more of a product a person uses. The study also showed an inverse relationship between package size and inference about unit costs.

In their study, Katy and Dipika (1997)\(^{55}\) attempted to analyse consumers' purchase behaviour over two time periods in the cities of Mumbai, Culcutta and Delhi. The study shows that while segmenting markets on the basis of consumption patterns of various product categories, Culcutta seems to be a market of 'light users' as compared to the other two cities. More number of houses seem to be opting for reduced consumption as a way to economising rather than down grading of product quality.

According to Nathan (1997)\(^{56}\) neither spouse is completely dominant in either of the product purchase. In his study on dimensions of marital roles in consumer decision making, it is observed that it is not possible to generalise about roles without reference to the product being purchased. In his study, husbands were found to dominate in automobile decisions and wives in furniture decisions.

### 2.4. Studies relating to Consumer perception about promotion strategies

The perception of consumers about promotion strategies was the focus of attention in many studies.

According to Martin R. Warshaw (1961)\(^{57}\) almost all wholesalers do use sales promotion devices. The most common is the distribution of product catalogs. Since wholesalers usually carry a great many product lines, it is imperative that their sales people have catalogs to refer to and distribute to
customers. Wholesalers may also participate in trade shows by setting up booths and demonstrations.

Kachn and Rohloff (1967)\textsuperscript{58} examined whether a promotion converts a customer into a user, indicating a positive conversion effect; that is, the average post-deal purchase probability is higher than the pre-deal purchase probability of the brand for both users and non-users.

According to Doob et al. (1969)\textsuperscript{59} if frequent in-store price promotions change the perceived fair price of the brand, subsequent sales of the brand will be lower. Customers tend to think of the product in terms of the price they initially paid for it. If the price increases in subsequent weeks, these customers see the product as overpaid and are not inclined to buy it at the higher price. Introducing a product at a discounted price and then raising the price to its regular level is likely to undermine product sales. Their explanation is that once customers have adopted a low introductory price and now it is the real price, they may consider the new product's regular price to be acceptably high.

In the opinion of Pradeep K. Korgaonkar (1975)\textsuperscript{60} people working in public relations are to be kept aware of new products, product demonstrations, new product applications and so forth. It is important to provide enough lead time so that the public relations effort can be effectively incorporated into the campaign.

Scott (1976)\textsuperscript{61} reports results similar to those of Doob et al. at the individual level from a field experiment. She found that increasing the level of sales incentive tends to enhance the likelihood of accepting a trial offer of weekly newspaper, but a substantive incentive undermines the likelihood of purchasing a subscription when the incentive is retracted.
The explanations offered for the negative effect of promotions by Dodson Tybout and Strenthal (1978)\textsuperscript{62} are based on the theory of self perception which postulates that consumers' search for explanation for their own behaviour. Following a promotional purchase consumers may conclude that they purchased the promoted brand because it was on promotion, rather than because of a favourable attitude towards the brand. This conclusion may lead to a negative attitude towards the brand and result in reduced repurchase probability.

Dodson, Sternthal and Tybout (1978)\textsuperscript{63} found that retraction of media distributed coupons and in-store cents-off pricing undermined long term repeat purchasing. However, they did not find this effect with coupons. According to them a promotional purchase decreases the likelihood of a subsequent purchase of the brand because either consumers are stock piling goods or the deal itself has an effect on the perceived value of the brand. It has also been proposed by them that the mere presence of a promotion leads to perceptions of lower quality.

Cotton and Bable (1978)\textsuperscript{64} have proposed and found empirically that if consumers have been satisfied with the promoted brand their satisfaction is re-inforcing and leads to an increase in the probability of choosing the brand again after the promotion is withdrawn, particularly for previous non users of the brand.

According to Blattberg, Robert C. Thomas and Buesing Peter Peacock (1978)\textsuperscript{65} commonsense and formal economic analysis suggest that a consumer's decision on brand and purchase quantity may depend on the size of the price reduction and the time until the next price reduction.

It the negative and positive deviation of the retail price from the expected price are taken to represent perceived gains ad losses, the prospect
theory of Kahneman and Tversky (1979) suggests that the response to a positive price deviation (loss) is likely to be stronger than the response to a negative price deviation (gain).

Della Bitta, Manroe and Mc Ginnis (1981) in their study opine that price promotions offer an economic incentive to purchase of a brand. The effect of coupon value predominantly has been demonstrated to be positive in terms of increasing perceived offer value, decreasing the intent to search and increasing the interest in a brand.

According to the findings of Guadagni and Little (1983) consumers who switch to a brand have a higher likelihood of repurchasing the brand they switched voluntarily than if they did so in response to a promotion.

The explanations proposed by Neslin and Shoe maker (1983) are based on the statistical aggregation namely a promotion is likely to attract "many consumers who under non promotion circumstances would have a very low probability of buying the brand. Consequently, at the next purchase occasion there may be lower average repurchase rates among all promotion purchases though repeat rates of regular customers may not have declined. This results in an indication of negative effects of promotional purchases on repurchase probabilities.

According to Narasimhan (1984) deal-prone customers may expect a lower price than other customers do because of lower transaction costs. In his study he tries to prove that deal proneness has a negative impact on an individual customer's expected price.

Johnson (1984) in his study of the long term effect of advertising and promotions analyses 20 product categories to examine changes in brand loyalty over the period 1975-83. He finds no significant changes in a brand's share. He says that if promotions have increased over time, then it is difficult
to say if a brand's share is high because of consumer loyalty for the brand or increased brand promotions.

Mc Alister (1986) in his study pointed that the use of price promotions as a marketing and managerial tool had increased by twelve fold over the last decade.

Winner (1986) suggests that consumers set reference prices for brands and that those prices are updated continually as a function of advertising, coupons and other factors. When coupons or other price discounts are offered consumers react positively by purchasing the discounted brand-Retraction of the deal, however, disappoints consumers and they may wait until the product is on discount again to repurchase.

Customers expect such incentives as rebates, low interest rate financing etc., once they have been made available for some length of time (Business Week, 1986). In the opinion of Bawa and Shoemaker (1987) though coupons produce a short term increase in sales, consumers revert to their pre-coupon choice behaviour after their retraction. They also opine that higher coupon values make an increase in redemption rates and sales.

In their study about the subsequent choice-behaviour, Bawa & Shoemaker (1987) test four hypotheses. They point out that the largest increase in the purchase probability of a couponed brand is among new triers or households who are infrequent users or non users of the brand. They find that there is a significant increase in the purchase probability among non users of a promoted brand who bought the brand on promotion. However, there is significant change in the probability of purchase of the brand for users. They find some evidence of positive effects only for new customers.

Lattin (1987) assesses the net effect of the "positive reinforcement of previous purchase behaviour and negative effects of past promotional
purchase and exposure" and finds a small but insignificant positive change in purchase probability following a promotional purchase. Lattin arrives at this conclusion without separating promotional purchases into current users and non-users. Thus his finding implies that promotions may have positive effects for both retained and attracted consumers.

In the opinion of Gupta and Sunil (1988) buyers' perceptions of deal frequency for a specific brand size have several implications. If most consumers perceive that specific brand size is promoted frequently they might not feel a need to stock pile the brand (i.e., accelerate purchases) when it is promoted.

In the opinion of Dean Foust (1988) the typical retailer is eager to advertise in local media. If the manufacturer is willing to supplement this advertising either financially or through technical expertise all the better. The retailers' main concern is that the advertising be directed at their own customers. The media used, the copy employed, the size and frequency of ads, and so on will vary from one retailer to another.

Sue Woodman (1988) reports, "For over 20 years, U.S. motorcycle manufacturers have been steadily losing market share to Japanese manufacturers such as Honda and Suzuki. Harley management determined to stay in business, redesigned its product time to compete with Japanese competitors. The company also produced television and print ads that emphasised the new designs and had a "made in America" appeal. Public relations was also successful with the placement of sympathetic stories in 'Fortune' and 'Business Week' and on "60 Minutes". Market share doubled with in ten months after Harley made these changes".

According to Philip Kotler (1988), the most important part of marketing plan is the marketing strategy. A marketing strategy represents the
broad principles by which the business unit expects to achieve its marketing objectives in the target market. If consists of basic decisions on total marketing expenditure, marketing mix and marketing allocation".

According to Mark Ivey (1989)\textsuperscript{82} one of the techniques that can be used for communicating prices is price bundling, which refers to a special price (usually lower) charged, when certain products are bundled together. The bundling may include items that are difficult to be sold alone. Heart surgeon Dr. Denton Cooley bundled a complete surgical procedure for fifteen thousand dollars, about 40\% less than the national average for the same techniques priced separately.

According to Blattberg, Gary D. Eppen and Joshua Liberman (1989)\textsuperscript{83} if promotions for a brand are perceived as occurring frequently, retailers may not be able to use deals to reduce their inventory holding costs. Also, a large proportion of purchases for the brand size may be made on deal, decreasing the brand's profitability. In addition if most consumers perceive that their preferred brands are often on deal, they may be less willing to respond to deals on less preferred brands.

Blattberg and Wisniewski (1989)\textsuperscript{84} propose a distribution of consumer preferences, which suggests that when the higher priced higher quality brands promote on price, consumers of the lower-priced lower quality brands will switch to the promoted higher-quality brand. However, when the lower-priced, lower quality brands promote on price, consumers of higher-priced, higher quality brands will switch to the promoted lower-quality brand because they would perceive a large quality difference. The implication of this price tier theory for aggregate sales is that when higher-priced brands promote on price they will draw sales from lower priced brands, but not vice versa. They apply this theory to understand the asymmetries in aggregate cross-price effects in store level data on four product categories.
According to Lattin James, M and Randolph, E. Bucklin (1989)\textsuperscript{85} consumers' expectations of deal frequency and sale price are determined largely by their perceptions of the frequency and discounts of past promotions.

One objective in a study conducted by Dickson and Sawyer (1990)\textsuperscript{86} was to determine whether, or not consumers knew whether an item they had just selected was being offered on a special or at the regular price. The researchers also determined consumer perceptions of prices for certain brand that the consumer had just selected from the shelf.

In a study to test the effectiveness of packaging conducted by Howard Schlossburg (1990)\textsuperscript{87} the interviewers asked comparable groups of people a number of questions about the crackers, but each group preferred only one kind of package. The groups did not know that they were participating in a packaging test. Except for the package, all test variables remained constant, and reactions were obtained both before and after product testing. The "after" evaluation indicated that red was more effective than yellow as a background colour; those interviewed thought crackers in the red box tasted better. The crackers in both packages were identical, but, because of packaging, consumers perceived a difference.

In the opinion of Manohar-U Kulkarni, Chi-Kin- Yin, Heikki-J-Ruine and Yoshi Sugita (1990)\textsuperscript{88} expected price of a brand is influenced by the past prices of the brand, frequency of sales promotion, economic conditions, customers' characteristics and type of retail shopping outlet. Besides acquisition utility, transaction utility plays an important role in determining customer-brand choice behaviour. The frequency with which a brand is promoted has a negative impact on its expected price. Though promotions help to increase the short term sales of a brand they may erode the long run profitability of the brand if used too often. They say that the problem may be
aggravated if one or more competitors retaliated with frequent promotions of their own, leading to a further escalation in the brand's promotion frequency. They suggest that the elasticity of price loss is greater than the elasticity of price gain implying that the market response to a one percent perceived price reduction in a sales promotion yields a sales gain that is smaller than the corresponding sales loss following a one per cent perceived price increase after the retail price returns to its regular price.

They also suggest that the behaviour of households that buy a brand size only when it is on promotion is readily explained in a price expectations frame work if it is assumed that their expected price is close to the deal price and they derive greater utility by purchasing an alternate brand size when the given brand size is not price promoted.

Barbara-E-Khan and Theriese-A Louie (1990) in their study, suggest that a buyer who desires high quality in a market with asymmetric information will be influenced by a price quality relationship and would assume that a frequently promoted brand is of lower quality. Hence even if the promotions work as an incentive for the promotional period, they would signal that the brand is of inferior quality and the consumer would switch after the promotional period ends. According to them, consumers who switch among brands over time are less apt to react negatively to promotions than are consumers who do not switch frequently among brands because they are likely to be more familiar with a larger array of brands than last-purchase loyal consumers. They found that, for last purchase loyal customers, a promoted brand's share decreased after the promotions were retracted.

In the study conducted by Rockney-G Walters (1991) he investigates the impact of retail price promotions on consumer purchasing patterns and the performance of competing retailers. Though retail price promotions are frequently conducted to satisfy trade agreements between retailers and
manufactures or to reduce retailer inventories most researchers and retailers agree that the primary function of promotion is to increase retailer sales and in turn retailer profit.

Ortmeyer, Lattin and Montgomery (1991)\textsuperscript{91} examine the mediating effect of preferences and hypothesis that prior promotional purchases have (1) a strong negative effect when the customer does not prefer the brand and (2) little or no impact when the customer has a strong preference for the brand. This hypothesis is supported by the parameter estimates of their model for the instant coffee category. Furthermore, though not statistically significant, these estimates suggests that "there may be a positive impact of lagged promotional purchase at high levels of brand preferences".

Rao's model (1991)\textsuperscript{92} suggests that the effect of a change in a competitor's price on the focal brand's sales can be meaningfully separated into three effects due to three types of consumer segments: (1) the effect due to those consumers who would pay a positive premium for the competitor brand (competitor brand preferrers) (2) the effect due to those who would not pay a premium for either brand (price shoppers) and (3) the effect due to those who would pay a premium for the focal brand (focal brand preferrers).

According to Aradhna Krishna, Imran. S Currim and Robert.W. Shoemaker (1991)\textsuperscript{93} consumers routinely face the decision of what brand to buy and in what quantity. The decision is complicated by temporary price reductions for various brands and by the fact that the size of the price reductions varies across deals. Their empirical findings suggest that deals on frequently promoted brand sizes are not viewed as surprises by many consumers. These knowledgeable consumers are in a position to purchase from deal to deal or make many of their purchases on deal.
Bucklin and Gupta (1992) hypothesize that there may be different segments in the population with some segments being more price sensitive and more responsive to sales promotions than other segments. Furthermore, the differences may be in more than one dimension, namely brand choice and category purchase. Thus one segment may be responsive to sales promotions on the brand-choice dimension but may not be as responsive on the category purchase dimension and vice versa. Using a latent class approach, they identify four such segments in the liquid detergent category (high/low response on the brand choice dimension combined with high/low response on the category choice dimension). Their results confirm their hypothesis that there are segments that differ in promotion response.

Some companies now believe that promotions have made consumers more price sensitive, which consequently has lowered the effective price which companies can charge (Brand Week, 1993). According to Innman, Mc. Alister and Hoyer (1993) promotion signals have a positive impact on the choice behaviour of 'low need for cognition' people who react to a promotion signal only when it is accompanied by a substantive price reduction. Loyal consumers are more habitual buyers and respond less to price and promotions. They will be less motivated to process non-price oriented promotion information actively. Non-price oriented promotions are likely to divert the attention of loyal consumers away from price but in fact the non-loyal consumers focus on price even more.

Ehrenberg, Hammond and Good Hardt (1994) conclude that consumer promotions for established brands have no noticeable effect on either subsequent sales or brand loyalty.
Boulding Lee and Staelin (1994)\textsuperscript{98} use PIMS data at the business unit level to conclude that advertising decreases and promotion increases consumers' price sensitivity for large brands.

According to Purushottam Papatla and Lakshman Krishna Murthi (1996)\textsuperscript{99} promotions can have both negative and positive dynamic effects. The negative effects they find are decreased loyalty for the promoted brand and increased price sensitivity due to coupon purchases. They also find that prior purchases made on display and feature promotions, as well as purchase made when price cuts are paired with displays or features improve subsequent response to such promotions.

According to the Wall Street Journal (1996)\textsuperscript{100} some companies now believe that promotions have made consumers more price sensitive, which consequently has lowered the effective price that companies can charge. As a result of this belief, Colgate Palmolive, Rabston Purima, Quaker Oats and Procter and Gamble recently have curtailed the frequency of their price promotions.

Raj Sethuraman (1996)\textsuperscript{101} presents a Separate Effects Model that separates the total discount effect of a competing high priced brand on the sales of the focal low priced brand into (1) discount effect in the region where the price of the competing brand is above the price of the focal brand (2) discount effect in the region where the price of the competing brand equals the price of the focal brand and (3) discount effect in the region where the price of the competing brand is below the price of the focal brand.

Carl F. Mela, Sunil Gupta and Donald R. Lehman (1997)\textsuperscript{102} tested a model to understand the long term impact of advertising and promotion on consumers' brand choice behaviour. They found two segments of consumers-loyal or price sensitive consumers. Their results show that the size of the
non-loyal segment has grown over time. A larger number of consumers have become increasingly more price and promotion sensitive over time. Their results confirm the conventional wisdom that in the long run advertising reduces consumers' price sensitivity and promotions increase consumers' price and promotion sensitivity.

Priya Raghuber (1998)\textsuperscript{103} in her study suggests that coupon value may signal the price of the product i.e., the higher the coupon value, the higher the perception of price, and this indirect informational effect can undercut the positive economic effect of providing a discount. She gives an example- if a customer receives a $5 coupon to visit a museum and does not know the price of the admission, but is aware of its quality, then to the extent the $5 value will signal that the ticket price is closer to $20 than $10 and the consumer may be less likely to visit the museum.

CONCLUSION

What has been attempted above is a brief and comprehensive survey of the existing literature on various aspects of consumers' buying behaviour. Consumer decision making is influenced by various factors such as socio cultural environment, the marketing mix and individual characteristics which can be classified into internal influences and external influences. Internal influences are the psychological characteristics as motivation, learning, personality and attitudes. External influences consist of the socio-cultural environment. Promotional strategists who plan to operate and survive in the dynamic marketing environment must continuously monitor and evaluate both these influences. This itself is the reason why the researcher has grouped the literature collected under four heads viz; (1) Internal influences of consumer behaviour (2) External influences of consumer behaviour (3) Consumer decision making and (4) Consumer perception about sales promotion strategies. Having gone through the studies it could be understood that very
few studies had been conducted on consumer behaviour in the context of Kerala even though there are a number of studies world wide and some researches in the Indian context also. Hence the relevance of the proposed study.
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