SUMMARY AND SUGGESTIONS
CHAPTER-V
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CHAPTER- I
INTRODUCTION

After having signed the Dunkel proposal of GATT Agreement Indian economy was globalized in the sense the trading and manufacturing activities are opened to the rest of the world. Except the banned items of import and export all other goods and services can be exported and imported freely. As such the consumers and users are given a wider chance of enjoying wider variety of goods and services. Since there is a free accessibility to goods and services of all nature there is a possibility for a change in lifestyle.

STATEMENT OF THE PROBLEM

The globalized economy brought several substitutes for the existing products. Cell phone, fuel consuming two-wheelers, readymade garments and fiber furnitures may be cited as examples of substitute for the existing traditional items in the market. These items are fastly moving in the market. Therefore, it will be interesting to examine how these substitutes are preferred by the users as a way of changing lifestyle.
SIGNIFICANTS OF THE STUDY

Lifestyle of human beings is influenced by so many factors at most predominately by the articles of daily consumption and consumer durable goods. The latest technology and the availability of goods changed the lifestyle or changes in lifestyle trusted the market to go for new technology is also to be noted as a significant point of the study.

IMPORTANCE OF THE STUDY

The proposed study is not only significant but also important in the current situations because of the following reasons,

- The changes in lifestyle will result in trade creation and trade diversion. The trade is created for the substitutes of the items taken for the study. The trade of existing goods diverted.

- The changes in lifestyle from one pattern of consumption to another pattern of consumption may result in changes in production pattern, financial requirement, consumption pattern, employment opportunity, and redistribution of income and living standard.
LIMITATIONS OF THE STUDY

The proposed study is subject to the following limitations,

- The study is limited to four consumer durable goods of cell phone, fuel consuming two-wheelers, readymade garments and fiber furniture.
- The study is limited to the users of these four items in Namakkal Town.

OBJECTIVES OF THE STUDY

The specific objectives of the study are as follows,

- To examine the factors influencing lifestyle of the community.
- To examine the buying behavior and buying motives and decision making process of the buyers.
- To analyze empirically the buying motives of the respondents over these four items.

REVIEW OF LITERATURE

Psychographic variables are often referred to as AIOs, for much psychographic research focus on the measurement of Activities, Interest and Opinions.
Activities: How a customer (or a family) spends time.

Interests: A consumer's (or a family's) preferences and priorities.

Opinions: How a customer feels about a wide variety of events and things.

The best known and most elaborate rating scheme for evaluating possessions is Chapin's Social Status Scale, which focuses on the presence of certain items of furniture and accessories in the living room types of floor or floor covering telephone and the condition of the room.

RESEARCH METHODOLOGY

The statistical survey method of research is adopted. This scholar adopted the methodology of taking four items of goods for the proposed study to understand the users in terms of what makes them to buy these goods.

SAMPLING TECHNIQUES

A random sampling technique is adopted in choosing the respondent. The Namakkal Town is comprised of 30 wards. From each ward 3 to 4 number of respondents are chosen at random so as to have 100 respondents. From each ward those who are having and using all these four items of product are chosen as sample respondents without any bias.
PROFILE OF NAMAKKAL TOWN

Namakkal district was bifurcated from the larger Salem district in the year 1997. Namakkal district comprises of four Municipalities, fifteen Panchayat Unions and three hundred and thirty one panchayat. Tiruchengode, Namakkal, Rasipuram and Paramathi Velur are the four taluks of this district. The 2001 Census indicates the total population of Namakkal district as 1495661. Out of these, the male population constitutes 760409 and female population of 735252.

DATA COLLECTION AND ANALYSIS

Both primary data and secondary data widely used for the purpose of the study. The data collected by means of question, scheduled were arranged, tabulated and taken for statistical analysis.

CHAPTER-II

CONSUMER BEHAVIOR

The term consumer behavior can be defined as the behavior that consumers display in searching for, purchasing, using, evaluation and disposing of products, services and ideas that they expect will satisfy their needs. The study of consumer behavior is the study of how individuals making decisions to spend their available resources (money, time, effort) on consumption-related items. It includes the study
of what they buy, why they buy it, how they buy it, when they buy it, where they buy it, and how often they buy it. Thus the consumer behavior is the study of how individuals make consumption decisions.

CONSUMER DECISION BEHAVIOR

It is a usual behavior with most consumers to have the general objective of creating and maintaining a collection of goods and services that provides current and future satisfaction. There are three type of consumer decision making.

4) Routine Decision Behavior
5) Limited Decision Behavior
6) Extensive Decision Behavior

TYPES OF CONSUMERS CHARACTERISTICS

DEMOGRAPHICS

Demographics as the objective characteristics of the consumer and cited broad demographics trends

LIFESTYLE

Life style characteristics are represented by consumer activities, interests and opinion.
PERSONALITY

Personality is a complex psychological concept. Its primary features are self-concept roles and levels and consciousness.

FACTORS INFLUENCING CONSUMER BEHAVIOUR

A. GENERAL FACTORS

NEEDS

Every individual has needs; some are innate, others are acquired. Innate needs are physiological (i.e., biogenic); they include the needs for food, for water, for air, for clothing, and for shelter. Because they are needed to sustain biological life, the biogenic needs are considered primary needs or motives.

Acquired needs are needs we learn in response to our culture or environment. These may include needs for esteem, for prestige, for affection, for power, and for learning. Needs and goals are constantly growing and changing in response to an individual's physical condition, environment, interactions with others, and experiences.
PERSONALITY

Personality is the one of important factor to determining the consumer behavior. Personality defined as "those inner psychological characteristics that both determine and reflect how a person responds to his or her environment".

PERCEPTION

Perception can be described as "how we see the world around us". Two individuals may be subject to the same stimuli under apparently the same conditions, but how they recognize them, select them, organize them, and interpret them is highly individual process based on each person’s own needs, values, expectations, and that like.

SOCIAL FACTORS

HOME DECORATION

To the extent that a family’s home is its castle, the décor of the home should provide clues to the family’s social class position. Of all the rooms in the home the living room seems to best express how a family wants to be seen by those it entertains. Therefore, living-room furnishings are likely to be particularly sensitive to class influences.
THE PURSUIT OF LEISURE

For many products and services, social class membership is closely related to choice of recreational and leisure-time activities.

SAVING, SPENDING, AND CREDIT

Saving, Spending and credit-card usage all seem to be related to social class standing. Research suggests that upper-class consumers are future-oriented and confident of their financial acumen, to the extent that they are more willing to invest in insurance, stocks, and real estate. The lower-class purchasers tend to use their credit cards to “buy now and pay later” for things they might not otherwise be able to afford, while upper-class purchasers use their credit cards as a convenient substitute for cash.

Culture

Culture is a challenging undertaking because its primary focus is on the broadest components of consumer behavior—an entire society.

ECONOMIC FACTORS

Disposable Personal Income

The economists made attempts to establish a relationship between income and spending. Disposable personal income represents potential purchasing power that a buyer has.
SIZE OF FAMILY INCOME

The size of family and the size of family income affect the spending and saving patterns.

INCOME EXPECTATION

The expected income to receive in future has a direct relation with the buying behavior.

PROPENSITY TO CONSUME AND TO SAVE

This goes to the habit of spending or saving with the disposable income of buyers. If the buyers give importance to present needs, then they dispose of their income.

LIQUIDITY OF FUND

The present buying plans are influenced greatly by liquidity of assets i.e., cash and assets readily convertible into cash, for example, readily marketable share and bonds, bank balances etc.

CONSUMER CREDIT

Facility of consumer credit system-hire purchase, installment purchase etc., play an important role in purchasing decision. A buyer can command more
purchasing power. “Buy now and pay later” plays its role effectively in the rapid
growth of markets for car, scooter, radio, fridge, furniture, television and the like.

BUYING DECISION PROCESS

The process consists of

- Recognition of an Unsatisfied need
- Identification of Alternatives
- Evaluation of Alternatives
- Purchase Decision
- Post purchase Behavior

The following are some of the important motives, influencing the ultimate
consumer behavior:

- **Fear**: To overcome theft, you may purchase a burglar alarm (out of fear).
- **Desire for money**: Purchasing when the price fall down.
- **Variety**: Getting costly items, to be admired by others.
- **Pride**: Possessing luxurious items for high position in the society.
- **Love and affection**: When you purchase toys, dresses for your sister, it is out of affection.
Mortimer has given ten kinds of conveniences:

- **Form**- A product may be available in different forms for example, Vitamins may be in the form of tablets, or liquids, or syrup or powder.

- **Quantity**- Products are offered in sizes: for example pastes are available in family size, medium size and small size.

- **Time**- The products are available at any time: for example, tea, cigarette and the like are always available.

- **Packaging** - Packages are easy to open, use and store.

- **Place**- The product must be available at all places: for example tea, coffee, newspaper etc.,

- **Combination**- Convenience is found in service industries.

- **Automatic**- People prefer push button model. For example, bike with a self-starter model.

- **Credit**- Credit facilities offered by the seller: hire purchase, installment purchase etc.,

- **Readiness**- The product must be ready for use: for example tinned meal.

- **Selection**- Facility to select: There may be choice to choose items.
PSYCHOGRAPHICS ANALYSIS TOWARDS CONSUMER BEHAVIOR

PSYCHOGRAPHICS

It referred to as lifestyle analysis or AIO research [activities, interests, and opinions]. It is a form of consumer research to capture relevant aspects of a consumer’s personality, buying motives, interests, attitudes, beliefs and values. The products specific forms of psychographic research have consumers respond to selective statement about products, services, brands, or specific consumption situations.

THE VARIOUS PSYCHOGRAPHIC STATEMENTS

A. PERSONAL AND FAMILY PSYCHOGRAPHIC STATEMENTS

Psychographic (AIO) Inventories usually require consumers to evaluate their personal or their family’s stand in relation to a wide variety of statements.

PERSONAL STATEMENT

- On cell phones

  I am a businessman.

  I prefer immediate communication with others.

  I want others called me a punctual person.
• On fuel saving two-wheelers

I am very careful with my expenses.

I want to go anywhere without any interruption

• On Readymade Garments

I like varieties in my dresses.

I would like to differ from others in matching

• On synthetic Furniture

I like cost less designing furniture's in my house.

FAMILY STATEMENTS

- Family members contact can be possible when we were at distance.
- Not necessary to have much knowledge to operate cell phones.
- We have a low fuel consuming two-wheeler with new style.
- We felt very happy to raid two-wheeler for a long distance with lower cost.
- Compared with cost readymade garments give style look and more economical for us.
GENERAL AND PRODUCT-SPECIFIC STATEMENTS

In addition to reflecting either personal or family activities, interests and opinions, psychographic statements can be designed to be either general or specific product.

SOME PRODUCT-GENERAL STATEMENTS AS FOLLOWS

From our survey changes in lifestyle under globalize economy of India with reference to consumer durables might include such general statements as

"It is necessary to have an instrument for communication".

"I would like to have a vehicle separately for my family".

SOME PRODUCT-SPECIFIC STATEMENTS AS FOLLOWS

"To have a small size handset is today’s fashion".

"My friend always prefers only fuel saving two wheelers".

APPLICATIONS OF PSYCHOGRAPHIC ANALYSIS

Psychographic analysis is particularly useful in three closely related areas of marketing strategy explained as follows.
MARKET SEGMENTATION

Psychographics research is an especially useful tool in segmenting markets. In market segmentation the combination of psychographics and demographic profile of customers have dominated to prefer the profitable segment.

Psychographics research is an efficient way of identifying psychological and sociocultural characteristics of specific target markets.

PRODUCT POSITIONING AND REPOSITIONING

If a company is not certain which segment should be the target for new product development, it can use psychographic analysis to identify those consumers who seem to be least satisfied with existing products and thus more likely to respond favorably to a new product and marketing strategy that specifically appeals to this market.

PROMOTIONAL CAMPAIGN

Psychographic analysis has been widely used in the development of advertising campaigns to answer three questions; “whom should we target?” “What should we say?” “Where should we say it?” To help advertiser’s answers their question, most mass media vehicles sponsor psychographic and demographic research as the basis for carefully detailed audience profiles.
THE VARIOUS LIFE STYLES OF SOCIAL CLASSES

Consumer research has found evidence that within each of the social classes, there is a constellation of specific lifestyle factors (shared beliefs, attitudes, activities and behaviors) that tend to distinguish the members of each class from the members of all other social classes.

To capture the lifestyle composition of the various social-class groupings, i.e.

- The upper-upper class – country club Establishment
- The lower – Upper class-Net wealth
- The Upper-Middle class-Achieving Professionals
- The Lower-Middle class-Faithful followers
- The Upper-Lower Class-Security minded Majority
- The Lower-Lower class-rock bottom

SRI VALS: CONSUMER SEGMENTATION RESEARCH

Taking its roots from Maslow’s hierarchy and the concept of social character, researchers, at SRI in the late 1970’s developed a generalized segmentation scheme of the American population known as the VALS (values and lifestyle) typology.
THE NINE VALS LIFESTYLES

The VALS typology classifies the American population into four general consumer groups and then sub-divides these categories into a total of nine distinctive subgroups or segments. The four major groupings are

- **Need-driven**: The poor and uneducated about 11 percent of the population
- **Outer-directed**: Middle and upper-Middle class consumers whose lifestyles are directed by external criteria about 67 percent of the population.
- **Inner-directed**: People who often are more motivated by personal needs than by the expectations of others about 20 percent of the population.
- **Integrated**: 2 percent of the population represents individuals who have been able to combine the best of both outer-directed and inter-directed values.

The VALS groupings are divided into nine specific VALS segments.

1. **NEED DRIVEN:**

   Need driven is one of the group of VALS. Its include,

   a. Survivors
   
   b. Sustainers
a. **Survivors** - They are the most impoverished consumer segment and represents about 4 percent of the adult American population.

b. **Sustainers** - They are a group that has not yet given up hope, and only 7 percent of the population.

### 2. **OUTER DIRECTED:**

Outer directed is second type of group in VALS. Its including,

- a. **Belongers**
- b. **Emulators**
- c. **Achievers**

**a. Belongers** - Belongers constitutes the largest VALS segment i.e., 35 percent of the population.

**b. Emulators** - They are holds 10 percent of the population and tend to ambitious, competitive, hard working, fairly successful, and demand a great deal of themselves as they try to climb the social class ladder.

**c. Achievers** - They are educated and affluent - they have achieved success in their lives and have realized the American dream. Members of this segment (22 percent of the population) are hard-working and happy.
3. INNER-DIRECTED

Inner-directed is 3rd group of VALS and its include.

a. I-Am-me

b. Experiential

c. Societally conscious consumers.

a. I-AM-Me”s

I-AM-Me’s is the youngest of the VALS groups and represents only 5 percent of the population.

b. EXPERIENTIAL

They are older than I-AM-Me’s and often joint this category as they mature and marry out of the I-AM-Me lifestyle. It represents 7 percent of the population.

c. SOCIETALLY CONSCIOUS CONSUMERS

They are represent 8 percent of the population and are a mature group concerned with societal issues.
4. INTEGRATED

This final VALS category segment is the smallest of all the groups and consists of individuals who have successfully put together the strengths of the both the inner-directed and outer-directed life style.

CHAPTER IV

THE CHANGES IN LIFESTYLE UNDER GLOBALISED ECONOMY OF INDIA: AN EMPIRICAL ANALYSIS.

The summary of the findings of the study are as follows:

- 100 percent of the respondents were having telephone connection.
- 80 percentage of the respondents were having cell phones.
- 90 percentage of the respondents preferred foreign make and remaining 10 percent preferred Indian make.
- Out of 6 foreign brands 69 percent of the respondents preferred Nokia brand.
- Of the 2 Indian brands 80 percent preferred reliance and 20 percent preferred BPL.
- 90 percent of the respondents were of the view that cell phone is a necessity.
75 percent of the respondents very much agree that having cell phone is present day lifestyle.

90 percent of the users of two-wheelers preferred to fuel saving two-wheelers.

Approximately 94.4% of the respondents give preference towards low fuel consumption.

97.8% of the respondents ready to buy low fuel consuming two-wheelers at high price.

95.6 of the respondents give opinion about low fuel consumption two-wheelers is geared vehicle.

Availability of bank loan to buy two-wheelers is high in percentage at 87%.

80% respondents agreed that having low fuel-consuming two-wheelers is a present day lifestyle.

Out of six types of two-wheelers to have TVS branded two-wheelers is present day lifestyle, the result from the survey obtained 60%.

Most of the respondents nearly 96% of them agreed readymade garments changing the lifestyle.
The reason for giving preference to ready wears is, it is the present day lifestyle proved by the survey and earned 52% support.

52% of the respondents agreed that the fitness of the readymade garments as the present day lifestyle.

There is no difference between cheapness of ready wears and others. It revealed form the percentage of respondents' support i.e., 52% and 48% respectively.

Large-scale production reduces the cost of readymade garments is the leading reason for cheapness of the price in the market and it got 42% vote.

From the comparison table, readymade garments were mostly wanted by the end users than stitched garments. Stitched garments leads in points only two features.

Preference given by the respondents is more to synthetic furniture's and it earned 75% of support from them in total.

56% of the respondents agreed that synthetic furniture's are best substitute for wooden and steel furniture's.

The table clearly evident that 73% of the respondent very well agreed that the synthetic furniture is the present day lifestyle.
From the comparison table among synthetic, wooden and steel furniture's the results would support more to synthetic furniture's than steel and wooden furniture's, steel furniture's hold the second place and wooden furniture's remained at last in preference.

A. For the purpose of survey 85% of the respondents taken from the age group Of 25-50 years.

B. To consider the gender 87% of them were male respondents.

C. The educational status of the respondents mostly stands at graduate stage at 36% next state goes to SSLC and below at 32% and,

D. To verify the respondents' profession from the table 55% of them comes under businessman.
SUGGESTION

1. The substitutes for the existing items have made a significant mark in buying decision and lifestyle of users. These substitutes are also comparatively cheaper. As such, consumer oriented innovations and creations may be encouraged to bring more and more substitutes for the existing items.

2. Innovations and creations to reduce the price of substitutes and also be encouraged to reduce the cost of living.