PART - I
1.1.1 Relevance of the study

Hardly any serious research study has ever been undertaken to analyse the buying behaviour of the Indian consumer. Marketing decision makers and academicians often depend on the buyer behavioural models developed in the west to conceptualise the dynamics of the Indian market. Lack of precise understanding of the consumption pattern and buying habits of the Indian consumer has often led to marketing failures. The present study is an attempt at understanding the consumer behaviour of a segment of the Indian market. In a highly segmented market with different races, subcultures, religions, castes, linguistic groups and geographical variations, it is only natural that significant differences exist with regard to the buying behaviour of the consumers in different states. Hence the study has been limited to the analysis of buying behaviour of consumers in Kerala with special reference to the purchase of consumer durables.

Kerala is a highly developed market for consumer products and all leading national marketers have been trying to ensure a fare share of the market. However, this market is quite unique in several respects compared to other states. Some of the prevailing assumptions are that conspicuous consumption is relatively high in
Kerala, purchasing power of the average household is comparatively more, rural urban differences are less pronounced and the whole state is an extended urban market. Whatever might be the unique characteristics of the Kerala market, the uniqueness necessarily stems from the culture and social structure in the state. For evolving marketing strategies, it is imperative that marketers have a proper understanding of the behaviour of consumers in Kerala. This study aims at identifying factors relating to the process of buying decisions for consumer durables and the people influencing product and brand choices.

2. Objectives of the Study

The broad objective of the study is to analyse the behaviour of consumers in Kerala with regard to the purchase of consumer durables. Fourteen consumer durables commonly purchased by households in Kerala have been selected for the study. They are (1) refrigerator; (2) pressure cooker; (3) mixie; (4) television set; (5) VCR/VCP; (6) radio; (7) tape recorder; (8) car; (8) motorcycle/scooter; (10) bicycle; (11) washing machine; (12) vacuum cleaner; (13) foam bed; and (14) settee or other costly furniture. They fall into four categories: kitchen appliances, entertainment items, vehicles, and costly furniture and cleaning systems.

In particular, the study aims at discovering the buying decision process and the influences on consumers of different
social classes. As indices are not available to segment consumers into different social classes, development of an index for stratification of consumers into various social classes forms an important objective of the study.

Specific Objectives

In order to fulfil these broad objectives, the study set the following specific objectives:

1. Develop measures to segment consumers into different social classes.
2. Identify whether social class is a more reliable determinant of consumer behaviour than income.
3. Analyse the purchase motives of consumers and identify the family members involved in need identification for different consumer durables.
4. Find the sources of information for different products and the relative influence of the various sources.
5. Identify the buying decision makers for different durables and the role played by family members in product and brand choice.
6. Analyse the sources of social influences with respect to the buying of consumer durables and study the characteristics of opinion leaders and innovators.
7. Study the behaviour of consumers with respect to reducing perceived risk and post purchases dissonance.
8. Attempt social class-wise analysis of factors pertaining Specific Objectives No. 3 to No. 7.
3. Research Methodology

This research study is primarily an empirical study on the buying influences and consumer behaviour relating to selected consumer durables. The behaviour of the consumers of different social classes pertaining to various aspects have to be probed. The study, therefore, involves two steps: The first step relates to developing indices for determining different social classes. The second step involves the empirical analysis of the behaviour of consumers regarding the purchase of consumer durables.

In order to develop the scale for social class determination, a survey among 50 experts was undertaken. For the purpose of analysing consumer behaviour, a sample survey was conducted among 300 households, selected from five districts of Kerala.

Products Selected

The scope of the study is limited to the analysis of consumer behaviour in respect of a limited number of products. It was decided to identify a list of consumer durables purchased and used by quite a large number of households. The selection of these products was done based on discussions with executives involved in the marketing of consumer durables. Fourteen products are identified and selected for the study. These products are classified into four broad categories. The purpose of the
categorisation is to determine common behaviour patterns, if any. The products selected for the study as well as the categories are as follows:

I Kitchen Appliances
1. Refrigerator
2. Pressure Cooker
3. Mixie

II Entertainment Items
4. Television Set
5. VCR/VCP
6. Radio
7. Taperecorder

III Vehicles
8. Car
9. Motorcycle/Scooter
10. Bicycle

IV Costly Furniture and Cleaning Systems
11. Washing Machine
12. Vacuum Cleaner
13. Foam Bed
14. Settee or other Costly Furniture

1.3.1 Methodology for Social Class Determination

One of the main objectives of the study is to verify whether social class is a more reliable determinant of consumer
behaviour than income. Further, the study envisaged a social class-wise analysis of factors relating to buyer behaviour. Obviously, it is necessary to segment various social classes. Keeping in view these objectives, a social class index is developed.

Different methods are used to stratify consumers into different social classes. The commonly used methods are the subjective method, the reputational method, the sociometric method and the objective method. The objective method which is based on socio-economic indicators and which helps to reduce possible bias has been adapted for the present study. However, in order to eliminate some of the limitations of this method, perceived value rating technique is used for developing the socio-economic indicators.

1.3.2 Expert Opinion Survey For Social Class Index

As prescribed for the objective method, expert opinion has been adopted to identify the social classes of the respondent families. In order to prepare the social class index, a survey was conducted among experts including social scientists and professionals.

A sample of 50 experts is drawn from five categories for the purpose of the survey. The five strata include college professors, research scholars working in the area of social sciences, medical doctors, engineers and lawyers. From each category, 10
experts have been identified and selected. The very purpose of the survey demanded that only people with relatively larger exposure to social occurrences and greater awareness regarding social structure and systems should be selected as respondents. Necessarily, judgmental sampling has been preferred because random sampling was not appropriate. Since there was no logical reason for including experts from different regions, all experts have been selected from Cochin city.

3. Socio-Economic Variables

The socio-economic variables used for social class index were income, education, occupation and caste. (Reasons for selecting these variables are explained in Chapter IV).

4. Method of Determining the Index

Development of social class index involved three stages. The first stage is the relative ranking of the different variables or factors such as income, education, occupation and caste to determine the relative weights for the different variables. The second step involves the relative ranking of sub-categories within each variable. For example, with regard to education, the sub-categories are different levels of education. The third step relates to the determination of cut-off points based on the scores obtained in the composite index for the different social classes. Once such cut-off points are determined, different families can be
assigned to the various social classes according to their total score in the composite index.

1.5. **Scale Construction for Social Class Index**

Six research schedules have been prepared and pretested for the survey among experts meant to develop social class index. (These schedules are given in Annexure 1). These schedules are based on an exploratory survey among a few people, with a view to identify relevant lists of occupations, castes, educational levels and income groups.

In order to determine the relative weight for the socio-economic variables such as income, education, etc., perceived value rating method was employed. The respondents were asked to distribute 100 points among the different variables in proportion to the significance perceived by the respondents for the different variables.

With a view to find the relative significance of the different sub-categories within each variable, perceived value rating method was used with respect to each of the variables. Respondents were asked to distribute 100 points among the sub-categories in proportion to the perceived significance of each sub-category. This was done for all the variables.

The averages for the different variables were computed using data from the expert survey. The averages for the sub-categories of each variable were then multiplied by the respective
scores obtained for the particular variable in order to obtain the weighted averages for each sub-category. These weighted averages of the sub-categories were distributed among the families covered by the household survey, depending on the sub-categories relevant to these families. While assigning points for the families with respect to income, source of income, education and occupation, all relevant members of the families were considered. The income taken was the family income. Education levels of all the family members were considered and the score on education for the family was computed by taking the weighted score for each individual member and then deriving the simple average for all members in the family. Similarly, the average scores on occupation and source of income for the family was computed from the score obtained by different earning members in the family. With respect to caste the family was taken as a single unit.

The cut-off points for different social classes were determined as follows: First, the total score obtained for all the variables by each family was computed. The sum of such family scores for all the 300 families was calculated. The arithmetic mean and standard deviation of the sum was determined in order to find out the upper and lower limits of the scores of each social class.
3.6. The Number of Social Classes and the Number of Families in Each

Literature on marketing and consumer behaviour often refers to six social classes, following the classification introduced by Warner. The traditional classification of society into upper, middle and lower classes has been further classified into upper and lower upper, upper middle and lower middle and upper lower and lower lower by marketing analysts. However, this may not be a relevant classification for all societies. In advanced societies the socio-economic development may render itself to high differentiation and consequently, greater number of social classes. However, the present stage of socio-economic evolution in Kerala does not apparently warrant stratification of the society into six social classes. In particular, distinct segments cannot be easily discerned among either the upper or the lower classes. The data obtained from survey among consumers also did not indicate opportunity for further division of upper and lower classes. Hence, only four social classes have been identified for the purpose of this study. Use of the social class indices developed in this study shows that there were 79 families in the upper class, 76 families in the upper middle class, 61 families in the lower middle class and 84 families in the lower class.

1.3.7. Survey Among Households

In order to analyse the behaviour of consumer with respect to consumer durables, a sample survey has been undertaken among 300 households. The sampling units were households with single
families. The households have been selected from five districts of Kerala. Variations in the level of urbanisation, consumption patterns and life styles are considered to exist in different regions of the state. The erstwhile Malabar region has consumption habits different from that of areas that correspond to the former Travancore State. Similarly, Cochin area has a consumption and life style pattern different from those of the other two. Hence, districts have been included from all the three regions - two from Malabar region, two from Travancore region and one from the central region. More districts have been selected from the north and the south considering the greater number of districts in these regions.

From each region households have been selected from urban, semi-urban and rural areas.

Equal number of respondents (60) have been selected from each district. Of these, 20 was from urban centres, 20 from semi-urban centres and the remaining 20 from rural areas. City Corporations/Municipal towns were considered as urban areas, small towns and 'A' Grade Panchayats were considered as semi-urban centres and other panchayats were considered as rural areas.

Households were selected from each of the chosen centres, keeping in view that people of different income groups and social status were to be included. Residential localities and type of residential buildings were the criteria adopted for categorising and selecting families. Income alone was not the criterion for selecting individual households, although it was one of the
Since the study was undertaken with reference to consumer durables, only families with at least one durable item was accepted as a sample household.

Many of these considerations necessitated the adoption of judgmental sampling for the selection of respondent households.

3.8. Research Instrument

An elaborate research schedule was prepared and pre-tested for the purpose of data collection. The schedule is given as Annexure II. Within the research schedule, two scales have been included to ascertain the extent of innovativeness and opinion leadership of the key respondents in every household surveyed. Twenty-five percent of the total sample population who got the highest score in each scale have been considered as innovators and opinion leaders.

3.9. Interviews

At the time of the interview with each family, care was taken to initiate a discussion among the family members on different aspects before recording the responses on each aspect. However, for innovativeness and opinion leadership, responses of only the key respondents were considered.

4. Data Analysis

In order to analyse the primary data collected, percentage has been used in most cases, while in the analysis of consumption and social class relationship, regression analysis using
categorical (dummy) variables has been made use of. For analysing the sources of information for consumer durables, rank order rating scale is employed. In all other cases percentages are used.

Further, the following method is adopted to construct indices for analysing the various aspects of the products under study.

Let \( x_{id} \) represent the value of the \( i \)-th factor in the \( d \)-th product \((i=1,2,3, \ldots \ldots ; \ d=1,2,3, \ldots \ldots \ m, \text{ say.})\) Let us write:

\[
Y_{id} = \frac{x_{id} - \text{Min}_i x_{id}}{\text{Max}_i x_{id} - \text{Min}_i x_{id}}
\]

Where, \( \text{Min}_i x_{id} \) and \( \text{Max}_i x_{id} \) respectively, the minimum and maximum of \( (x_{1d} , x_{2d}, \ldots \ldots . x_{nd}). \)

Obviously, the scaled values, \( Y_{id} \), vary from zero to one.

From this matrix of scaled values, \( Y=(Y_{id}) \)

a measure for the various aspects for different products has been constructed as follows:

\[
Y_i = w_1 Y_{i1} + w_2 Y_{i2} + \ldots \ldots \ldots w_n Y_{in}
\]

Where, the \( w \)'s \((0 < w_i < 1 \text{ and } w_1 + w_2 + \ldots \ldots w_n = 1)\)
are arbitrary weights reflecting the relative importance of the individual indicators. A special case of this is when the weights are assumed equal.

Limitations of the study

Although several consumer behaviour models have been reviewed, the study does not test any particular model. However, the study draws heavily from many of them.

One of the major limitations of the study relates to the number of products selected for the study. Although the study is with reference to consumer durables, only 14 durables products have been considered.

The household survey has been restricted to a sample size of 300. The decision on the sample size was rather arbitrary, although the sample size is deemed sufficient considering the nature of the issues analysed and the requirement of category-wise analysis.

The number of respondents from different sections of society are not selected in proportionate with the actual number of families in these sections. Only households possessing at least one of the durables under study had been included among the sample households. This has perhaps resulted in excluding those lower class families which do not possess any of the durables selected.

The respondents were not selected using random sampling, but by using judgmental sampling. The possibility of an element of bias was inherent in using the judgment of the researcher in selecting
respondent households.
Only five elements have been used to develop the social class index. Other significant variables were perhaps not considered. Similarly, it is likely that certain sub-categories within the selected variables have been left out.
The purpose of social stratification in the study was to classify the respondent families for analysing their behaviour and not to segment the whole population of the state and study their consumption habits. The limitations with respect to sample selection inhibit generalisations relating to social classes to the whole population of the state. These limitations have been partly due to the time and resource constraints of the researcher.
Considering the limited scope and specified objectives of the study, these limitations, however, do not seriously affect the reliability or validity of the findings of the study.

6. The Scheme of the Study
The study has been divided into two parts: the first part deals with the research design (Chapter I), the Socio-economic Background of Consumers in Kerala and the Consumers Goods Market (Chapter 2) and a review of the Buyer Behaviour Models (Chapter 3). Part II is devoted for empirical analysis and includes seven chapters. The chapters include Social Stratification and Empirical Analysis on the Relevance of Social Class (Chapter 4), Need Identification and
Purchase Motives (Chapter 5), Information Search and Information Sources (Chapter 6), Decision-making and Buying (Chapter 7), Social Influences and Innovation Adoption (Chapter 8), Risk and Dissonance (Chapter 9) and the Summary of Findings (Chapter 10).