CHAPTER III

AN OUTLOOK OF CONSUMER SATISFACTION AND
REVIEW OF LITERATURE

3.1 CONSUMER SATISFACTION

This chapter entertains the general field of Consumer Satisfaction research in a manner expanding upon more general treatises. Whereas the field has been studied from many perspectives, the most common appearing in the areas of consumer satisfaction surveys and consumer satisfaction strategy, an alternative approach will be proposed. Most typically, works on consumer satisfaction survey measurement take the form of how to form scales and summarize results, and those on consumer satisfaction strategy take the form of how to generate satisfied customers and alleviate dissatisfaction. While these are worthy endeavors, it remains that little in-depth analysis has been performed on conceptually-based managerially actionable strategies within the satisfaction response. Unfortunately, these early perspectives have not significantly advanced the progress of satisfaction work for some time and it wasn’t until many and diverse perspectives were integrated, elaborated, and extended that others began the study of conceptual satisfaction in earnest. Here, the underlying mechanisms of how consumers construct, consciously or subconsciously, their satisfaction conclusions are explored so that a grander strategy of fostering satisfaction and diminishing dissatisfaction can emerge.
**According to Kotler on Marketing** Most companies pay more attention to their market share than to their customers’ satisfaction. This is a mistake. Market share is a backward-looking metric; consumer satisfaction is a forward-looking metric. If customer satisfaction starts slipping, then market share erosion will soon follow. Companies need to monitor and improve the level of consumer satisfaction. The higher the consumer satisfaction, the higher the retention. Here are four facts:

1. Acquiring new consumers can cost 5 to 10 times more than the costs involved in satisfying and retaining current customers.
2. The average company loses between 10 and 30% of its consumers each year.
3. A 5% reduction in the customer defection rate can increase profits by 25 to 85%, depending on the industry.
4. The consumer profit rate tends to increase over the life of the retained consumer.

One company bragged that 80% of its consumers are satisfied or highly satisfied. This sounded pretty good until it learned that its leading competitor attained a 90% customer satisfaction score. The company was further dismayed to learn that this competitor was aiming for a 95% satisfaction score. Companies that achieve a high satisfaction score should advertise it. J. D. Powers gave the Honda Accord the number one rating in consumer satisfaction for several years, and this helped sell more Accords. Dell achieved the highest satisfaction ratings for its computer service and advertised this in its ads,
giving prospects confidence that they could trust ordering a computer sight unseen from Dell. The importance of aiming for high customer satisfaction is underscored in company ads. Honda says: “One reason our consumers are so satisfied is that we aren’t.” Cigna advertises, “We’ll never be 100% satisfied until you are, too.” But don’t make too big a claim. Holiday Inns ran a campaign a few years ago that promised “No Surprises.” Guest complaints were so high that the slogan “No Surprises” was mocked, and Holiday Inn quickly canceled this slogan. Consumer Satisfaction is a necessary but not sufficient goal. Consumer Satisfaction only weakly predicts consumer retention in highly competitive markets. Companies regularly lose some percentage of their satisfied consumers. Companies need to focus on consumer retention. But even retention can be misleading, as when it is based on habit or an absence of alternative suppliers. A company needs to aim for a high level of consumer loyalty or commitment. Loyal packaged-goods consumers, for example, generally pay seven to 10% more than non-loyal consumers. The company should therefore aim to delight consumers, not simply satisfy them. Top companies aim to exceed consumer expectations and leave a smile on consumers’ faces. How can a company continue to exceed expectations after these expectations become very high? How many more surprises and delights can a company create? Interesting question!
3.2 Levels of Consumer Satisfaction

When discussing categories of consumer satisfaction levels, Williams and Buswell (2003) refer to Oliver’s theory that divides potential consumer satisfaction levels into three categories:

First, negative disconfirmation happens when the level of service turns out to be worse than expected by the consumer.

Second, Positive disconfirmation, is the case where the service is better than expected by the consumer.

Third, simple disconfirmation, happens when the level of service matches the level of service expectations.

3.3 Consumer Behaviour

Consumer Behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. Each method for vote counting is assumed as social function but if Arrow’s possibility theorem is used for a social function, social welfare function is achieved. Some specifications of the
social functions are decisiveness, neutrality, anonymity, monotonically, unanimity, homogeneity and weak and strong Pareto optimality. No social choice function meets these requirements in an ordinal scale simultaneously. The most important characteristic of a social function is identification of the interactive effect of alternatives and creating a logical relation with the ranks. Marketing provides services in order to satisfy customers.

### 3.4 Segmentation of Consumer Markets

The segmentation of consumer markets requires the creation of sub-groups from a larger population to more specifically target them. There are virtually dozens of ways that a market might be segmented and the segments chosen will depend on the business and the products or services it offers. Basically, segmentation is all about identifying specific groups of people based on common characteristics.

#### Demographics

One common way of segmenting a market is through the use of demographics. Demographics are quantitative characteristics of a group of people. These characteristics might include sex, age, income or geography (where they live). Businesses that segment their market based on demographics are attempting to target specific market segments that are more likely to be interested in what they have to offer. The cosmetics industry, for example, primarily targets women. The hunting industry might be more likely to target men. Luxury car makers target their markets based on income.
Marketers are likely to consider multiple demographic characteristics when segmenting their consumer markets.

**Psychographics**

Psychographics are qualitative attributes of a market and refer to the way people think and what they like to do. Psychographics is sometimes categorized with the acronym IAO which stands for Interests, Activities and Opinions. It can be difficult for marketers to segment their markets into these types of categories on their own. Nielsen is one organization that offers access to consumer lists based on their specific classifications. They have divided U.S. households into 66 distinct types or segments to help marketers focus on market segments based on psychographic characteristics. Psychographics are personal attributes related to personality, values, attitudes, interests, or lifestyles.

**Purchase Behaviors**

An important way for businesses to segment their consumer markets is through purchase behavior. Keeping good records of customers and their purchases, allows marketers to identify those who have purchased certain types of products or spent at certain levels and to then target them with similar offers. Marketers are also able to target customers of other businesses through by renting lists, which can be used in direct marketing efforts through traditional mail or, increasingly, online.
Pulling It Together

The more segments that marketers are able to identify and combine to specifically target groups of individuals most likely to be interested in what they have to offer, the more effective--and cost effective--their marketing efforts can be. Toward this end, businesses attempt to learn as much as they can about their customers--where they live, their age, their income levels, what they purchase, what their hobbies are and what their likes and dislikes are. This information can then be used to "clone" these customers by reaching out to non-customers who share similar traits and characteristics.

3.5 Consumer Segmentation And Its Importance

Surprisingly, some marketing text books have limited information on either consumer or market segmentation. Similarly, Wikipedia redirects queries about “Consumer Segmentation” to “Market Segment”, which is defined as “a group of people or organizations sharing one or more characteristics that cause them to have similar product and/or service needs.” Which both of these definitions are good, I prefer the term “Consumer Segmentation” to “Market Segmentation” because people make buying decisions; not everything is a statistic or a commodity. Whether consumers are companies (B2B) or individuals (B2B), people decide the merits of a seller’s value proposition and whether to purchase the seller’s offerings. The word “Consumer” keeps sellers focused on their consumers’ needs and buying processes. The word “Market” can draw sellers into excessively thinking about statistics, which are important, but are not always the drives of success with consumers. The word
“Market” has also drawn some sellers into thinking that their products and services are undifferentiated commodities that are selected chiefly based on price. This kind of thinking causes sellers to discount the other value enhancers that they bring to consumers, such as brand image (e.g., reliable, safe, high quality, responsive, financially sound, green, etc.), innovation capabilities, and the seller’s relevance to consumers’ future needs.

3.6 Benefits of Consumer Segmentation

Consumer Segmentation makes money for sellers by helping sellers define better value propositions, allocate resources, identify and effectively pursue opportunities, anticipate problems and find solutions, and think through situations. For example, a seller may decide to enter a fast growing market. But if the seller doesn’t understand consumer needs and buying processes, doesn’t have a compelling value proposition that answers “Why should I pick you over another supplies,” and doesn’t know how to pitch its offerings to the different consumer influencers and decision makers, then the seller will likely either make a commodity sale or fail altogether. If conducted on an ongoing basis, at least annually, consumer segmentation can be an important driver of continuous commercial improvement. Consumer Segmentation will help the business stay current and focused on the best actions to generate profitable business, minimize and mitigate downsides, and find and exploit upsides. The more segments that marketers are able to identify and combine to specifically target groups of individuals most likely to be interested in what they have to offer, the more effective and cost effective their
marketing efforts can be. Toward this end, businesses attempt to learn as much as they can about their consumers where they live, their age, their income levels, what they purchase, what their hobbies are and what their likes and dislikes are. This information can then be used to “Clone” these consumers by reaching out to non-consumers who share similar traits and characteristics.

3.7 REVIEW OF LITERATURE

The review of the literature is defined as a broad, comprehensive, in-depth, systematic, and critical review of scholarly publications, unpublished scholarly print materials, audiovisual materials, and personal communications.

Ming-Yuan Wang, Mei-Ju Chou, Applied Sciences (2013), “In recent years, due to rapid economic growth, increase of National Income and advance of lifestyle, the tendency of meeting customer’s satisfaction needs to be related to the idea of service quality and association in hospitality area has been a subject of debate for many years. This study critically examines various factors from service quality and its effect on consumer satisfaction”.

Daiane Lindner Radons, Carolina Cunha Torres, Paulo Sergio Ceretta, Revista Eletrônica de Estratégia e Negócios (2013), “Customer satisfaction has become one of the most relevant aspects for companies due to the increase consumer requirements who passed to enjoy a growing range of products and services. In this context, several studies were conducted to create and refine models, like the Swedish Customer Satisfaction Index, American Customer Satisfaction Index and European Customer Satisfaction Index, to identify the
customer satisfaction level. This article aims to measure the customer satisfaction level with the fast food service, considering the customer expectations, perceived quality, image, perceived value, loyalty and complaints, which are part of the European Index of Consumer Satisfaction.

Petrisoaiă Carmen, Pop Nicolae Al, Economic Science (2012), “The Romanian insurance market expanded rapidly during the last two decades. In this extremely dynamic and competitive environment, it is compulsory to control key elements that generate and maintain customer satisfaction. Therefore, the hereto paper concentrates on the influence exerted by perceived sacrifice over the business to business customer satisfaction in the insurance industry. More precisely, the objective is to investigate the impact of effort, time and money spent by the business to business customer over satisfaction. The concept of satisfaction has been intensively explored in the literature due to the fact that both practitioners and academics understood that it held a great significance in determining and preserving customer relationships and therefore, long-term profitability”.

Nesli Arpacı, Gülgün Ersoy, Human Sciences (2011), “Energy drinks are hypertonic and popular drinks since 1990s. Consumption of energy drinks can significantly improve physical and mental performance. Unfortunately, the body of literature is limited and it is not known whether these improvements are due to the caffeine other herbal ingredients, or as a result of the combination of the ingredients found in a beverage. Also, energy drink use in population to compare reported risk taking behaviors and negative health
consequences within combined users, and to investigate differences between men and women on reported risk taking behaviors. Results indicated that combined users consumed significantly more alcohol than people used alcohol only.

Dr. S. Ganesan, R. Rajanbabu, Management and Science (2011), "Satisfaction is a kind of stepping away from an experience and evaluating it". Consumer satisfaction with purchase depends upon the product performance relative to his expectations. A consumer might experience various degrees of satisfaction. If the product performances fall short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted”.

Sadia Samar Ali, Faizan Ahmad (2010) Globalisation and profit making led companies to adopt measures for satisfaction of their retailers and customers. Strategic decisions of a company for retailer’s and customer satisfaction are considered to be multidimensional, interdisciplinary, complex and unstructured regarding time, quantity and quality. In this paper, a multiple decision making criteria has been proposed, based on American Customer Satisfaction Index and being named as Flexible Approach to Retailer’s Satisfaction Index. The designed model requires quantitative and qualitative evaluation based on information such as anticipated and perceived service quality. This tool helps marketing planners in evaluating satisfaction. Here, the case of Glaxo SmithKline, India has been considered.
Joyce Xin Zhou (2010) China is rapidly becoming an important market for consumer goods, but relatively little is known about variations in consumer shopping patterns in different regions of China. We employ a cultural materialism perspective in understanding decision-making styles of inland and coastal shoppers. Our findings reveal that consumers in the two regional markets do not differ in utilitarian shopping styles but they do in hedonic shopping styles. Marketers need to understand these differences to be able to market effectively to consumers in different regional markets within China.

Prasanna K, Bashith M, Sucharitha S Community, Medicine (2009), “Consumer satisfaction is an important parameter for assessing the quality of patient care services. There is a need to assess the health care systems regarding the consumer satisfaction as often as possible. To assess the consumer satisfaction regarding the services provided in our outpatient department in terms of clinical care, availability of services, waiting time, and cost. Recommendations are required for reduction of time spent in the pharmacy and the cost of investigations to improve consumer satisfaction”.

Jyothsna Priyadarsini K (2009). It is understood from the study that many rural men feel delicate to use cosmetics. Rural males have a feeling that cosmetics are mainly meant for females. The present empirical study shows that a majority of the customers are unaware of the importance of male grooming and exclusive male grooming brands. Henceforth, marketers should attempt to create product awareness and drive the customers through brand awareness.
Sushash B (2009) has discussed about the share of rural areas in total FMCG products consumption in India, factors influencing sale in rural markets, ways of market penetration, problems and limitations. He has finally concluded that with the increasing competition and saturation of urban markets the future prospects in rural markets are high.

Pawan Garga (2009). It is understood from the study that rural market has its own set of challenges. Therefore, organizations need to unlearn and then relearn the marketing strategies and tactics that will enable harnessing the immense rural potential. The approach, strategies and marketing mix needs to be modified and examined from rural consumer's perspective to be successful in the rural market.

Philip Kotler, Gary Armstrong, Veronica Wong, John A. Saunders (2008) Philip Kotler, widely considered to be the world's leading marketing guru, is the S.C. Johnson Distinguished Professor of International Marketing at Kellogg Graduate School of Management at Northwestern University. He is the author and co-author of sixteen books, including Marketing Management, Marketing of Nations and Kotler on Marketing. He also acts as a consultant to many major multinationals and has lectured extensively in Asia and North America. Hermawan Kartajaya is Leading Service Officer of MarkPlus & Co., a strategy consulting firm in Indonesia. He is also the President of Asia-Pacific Marketing Federation (APMF, 1998-2000) and the Vice-Chairman of the World Marketing Association (WMA, 1999-2000).
David Griffith (2008). This paper reports findings from a recent survey of 1115 respondents from 34 rural counties/ villages in 11 Chinese provinces. It investigates consumers’ reaction towards the advertising market by incorporating the use of information sources and perceived source credibility into the advertising effectiveness literature.

The results show that rural Chinese consumers utilize a variety of information sources when making their purchase decision, and for different product categories different information sources are preferred. Although perceived source credibility is a reliable predictor for information sources use, the most trusted information source might not always be the most used source.

Sarangapani (2008) pointed out the essence of modern marketing concept is to satisfy the customer, and naturally all the marketing activities should revolve around the customers and their buying behavior. The key to ensure consumer satisfaction lies in understanding the customer, his likes, dislikes, buying behavior, buying motives and buying practices. In the light of this, rural consumer behavior provides a sound basis for identifying and understanding consumer needs. Knowledge of customer behavior is important for effective marketing efforts and practices.

Anil Chandhok (2007) suggested that many companies have attempted multiple segmentation approaches in the rural market but it is clear that one cannot rely on a specific segmentation approach. The greatest problem is that the rural market is still evolving in efficient dissemination of information and there is no set format to understand consumer behavior.
Lopamudra Ghosh (2007) identified key challenges for FMCG companies who are penetrating the rural markets, which include infrastructure issues like poor distribution system, improper logistics and the fragmented rural market, given the heterogeneity of the Indian population.

The companies who understand these challenges and tune their strategies accordingly will surely be the winners in the years to come, taking advantage of this economic boom in the rural sector of India.

John Mano Raj (2007). This paper covers the attractions for the FMCG marketers to go to rural and the urban markets and uses a suitable marketing strategy with the suitable example of companies and their experience in going rural. Thus the rural marketing has been growing steadily over the years and is now bigger than the urban market for FMCG. Globally, the FMCG sector has been successful in selling products to the lower and middle income groups and the same is true in India. Over 70% of sales is made to middle class households today and over 50% of the middle class is in rural India. But the rural penetration rates are low. This presents a tremendous opportunity for makers of branded products who can convert consumers to buy branded products. The marketers need to develop different strategies to treat the rural consumers since they are economically, socially and psycho-graphically different from each other. This paper covers the attractions for the FMCG marketers to go to rural, the challenges, the difference between the rural and the urban market and the suitable marketing strategy with the suitable customers.
Anandan (2007) found that quality is the major driver to prefer a particular brand in washing soaps in the rural market. Power soaps are ruling the rural market. If the preferred brands are not available, customers buy the available brands. It is found that there is a significant relationship between the age of the respondents and the factors influencing the customers’ brand preferences. IT is also found that there is no significant relationship between the type of income of the respondents and the factors influencing the customers’ brand preferences. Higher price and non-availability are the key reasons for dissatisfaction of the rural customers. Marketers should target the customers with high qualitative soaps at affordable prices. They should concentrate on distribution strategies, as non-availability had been an important factor for dissatisfaction.

Ranganathan (2006) Chairman and Managing Director, Cavin Kare, India (Pvt) Ltd, in his article pointed out that in the last dead, increased competition has driven down margin for all the FMCG players. He further added that it is time for FMCG players to innovate not just in products, but in distribution, packaging, pricing, consumer promotion, communication and supply chain to gain a distinct advantage over competition and fuel their growth. He concluded that the future for the FMCG sector is very bright. It vividly portrays the consumers’ preference to buy FMCG products in sachets. They also observed that toilet soap is yet another product as it is consumed regularly and may be preferred by travelers.
Shawn Thelen (2006). This research assesses the impact of consumers’ regional affiliation, within a single country, on relationships among various marketing constructs. Secondary qualitative and quantitative data support the premise that decision-making models differ across regional societies in Russia. This implies that consumer choice models can vary in effectiveness and behave differently across regions within a single country. This research underscores the importance of recognizing regional affiliation within a country and its potential impact upon consumer behavior.

Upchurch (2006). This article evaluates the linkages between product and services offerings in relation to consumer expectancies and satisfaction with intent to purchase additional timeshare products and services. The findings of this study support the general notion that timeshare developer services are integrally related to consumer satisfaction, and in turn influence future decisions to maintain usage patterns or to purchase additional vacation time.

Bishmupriya Mishra and Sakkthivel (2005). In their survey aimed to find out the quantity and frequency of purchase of FMCG Products by rural consumers. The study revealed that majority of the products were not used by the rural consumers but they become a part of their lives, due to sachets and cheaper prices. It is very evident that small packets have really modified the buying behavior of rural consumers to a large extent. It adds that shampoo is fancy among the rural followed by spices, toothpaste, washing powder, fairness cream and so an. It vividly portrays the consumers’ preference to buy FMCG
products in sachets. They also observed that toilet soap is yet another product as it is consumed regularly and may be preferred by travelers. The study concluded that sachets facilitated rural consumers to try new products and also played a vital role in modifying their buying behavior and above all, a major change in their lifestyles. Hence, sachets may be viewed as a sales promotion tool for modifying buying behavior rather than a yet another innovative form of packaging.

**Hyllegard (2005).** The study focused that specialty retailers’ success in international consumer decision making and impacts acceptance of products and services. It was found that perception concerning quality, product assortment, and quality of customers service etc differed from person to person.

**Jamal (2005).** The present study overcomes some of this shortcoming by specifically evaluating whether consumer within the Arab world differ from each other with respect to their ethical beliefs, ethical ideologies, and degree of Machiavellianism. Utilizing a sample of 683 consumer from four Middle Eastern countries (Saudi Arabia, Egypt, Kuwait and Oman), the findings suggest that Arab consumer differ significantly in their ethical beliefs and ideologies. Specific results are discussed and managerial implications are offered.

**Kanjila Abir, Das Indranil and Srinvatva Rohitash (2005)** while rural markets present a great opportunity to companies, they also impose major challenges. The unique features of rural India call for social attention and thus,
subsequent changes in the application of marketing concepts. If the Indian advertising industry is to tap rural India, it has to be firmly grounded in rural perception, values, and traditions. It has to draw itself in local colors and modes of communication to make it relevant to the rural masses.

Mishra and Sakkthivel (2005) observed that majority of rural consumers prefer products like shampoo, spices, fairness cream, and mosquito repellants, which are purchased on weekly basis in sachets. But other products like talcum powder, toilet soaps, biscuit, and shaving creams are expected in medium container, sachets in these categories only provided an opportunity of trail. Thus, sachets need to be used as a promotion tool, rather than as a packaging strategy. Packing strategy needs to be changed according to the consumption pattern.

Panday adds (2004) There is nothing rebellious about the ad. Even Nike’s ‘Just Do It’ has a positive aspect to it. Horlicks as a brand is conscious about its image and doesn’t want to be rebellious. Even in the TVC, Horlicks is not portrayed as aid, just an onlooker or nutrition inspector of childhood. It is a portrayal of the confidence level of the kids today and Horlicks can help them achieve what they want in a positive way. Horlicks is their playmate which believe in their philosophy and stands as an accomplice to their intentions”.

Malini Reddy (2004). In her study points out that a marketer had to face an entirely different set of conditions and problems when marketing in rural areas as compared to urban areas. Rural marketers need to have an open mind, and sensitise themselves to understand the rural consumer. Apart from
understanding the consumer, communication in the language that the rural consumer comprehends was a challenge that the marketer had to face. Creative approaches to providing a satisfactory offering, in terms of adaptation to consumer needs of the rural market reflected in products offering as well as message used, were absolute essentials to achieve success in the Indian market.

Nagaraja (2004) found rural consumers as different type of consumers with whom clever and gimmicky advertisement do not work well quality of product and its easy availability were observed as primary and vital determinants of rural consumers’ buying behavior. Touch and feel promotional activity has a quite high influence on rural consumers.

Shukla (2004) portrayed that if HLL’s clinic plus was market leader in shampoo market on an all India basis, then Cavinkare’s Chik was market leader in the rural areas, where clinic plus was only distant second. Regional brands and niche players, with better understanding of rural market and rural specific business models and strategies; are emerging clear leader in the rural market.

Verma and Munjal (2003) identified the major factors in making a brand choice decision namely quality, price, availability, packaging and advertisement. The brand loyalty is a function of behavioural and cognitive patterns of a customer. The age and demographic variables affect significantly the behaviour and cognitive patterns of the customers while other demographic
characteristics such as gender and marital status are not significantly associated with these behaviour and cognitive patterns of the consumers.

**Ashish Neogy and soumyo Sinha (2003).** In their article pointed out that the concept of rural retailing is not new. In fact in India there were 36 lakh rural outlets in 1999 in India's Six lakh-plus villages. The study high-lighted that rural retailing offers a great chance for selling different branded goods. Hindustan lever estimates that only one lakh villages have been tapped effectively so far. The study concluded that literacy rates in villages have increased considerably, thus bringing about a shift in consumer tastes. This change has led many companies to tap this new breed of customers.

**Pradeep Kashyap (2003)** examined and revealed that rural people evolved systems of selling and communication that served there well for centuries. Haats could serve as both sales outlets and redistribution points as village shopkeepers also frequent them to replenish stocks. He had also examined that the army of mobile traders who go from house to house in rural India to sell a variety of FMCG (mostly takes) could be motivated so that at least some could be converted to sell genuine company brands.

**Raman and Suganthi (2003)** analysed factors that enabled the MNCs to have their own foot hold in rural India. Success of MNCs in rural market depends on how they adopt different marketing strategies for the rural markets over a period of time. These strategies are to be based on cultural, sociological, economic and psychological background along with a factor of 4ps for consumers in that area.
Ruchi Trehan (2003) found that the Indian rural market is very big it's twice the size of the entire market of USA and it differs significantly from their urban counterpart. But these differences stand reduced due to increased penetration of TV and other communication channels in rural India. Rural India is different from urban, but it is catching up to its increased mobility of rural to urban consumers and increased level of literacy and credit availability in rural areas.

Deepak Halan (2003) mentioned that many rural customers are daily wage earners. So, it makes sense to package products in smaller units or other low-priced variants for rural markets. In rural markets, many brands have to compete with goods from unorganized sectors. These goods are generally very low priced; often there are cheap substitutes available. The rural consumers are ready to pay higher prices for better quality or more featured products at the harvest season. This is the time when chances of selling expensive brands are seen and when money is received it also shows how it is used and what the priority order of the needs.

Ganeshmoorthy, Radhakrishnan and Bhuneshwari (2003). In their aim do analyze the brand loyalty of the products and the influence of mass media in rural markets. The study revealed that mass media had a significant role in the sales promotion of the select products. In mass media it adds that consumers wanted to buy good quality products, that too at a reasonable price; consumers give more preference to quality. The next preference was given to factors such as price and availability.
Lokhande (2003) analysed that rural consumer has become enough aware about his needs and up gradation of his standard of living. IT, government policies, corporate strategies and satellite communication have led to the development of rural marketing. Although income is one of the major influencing factors, caste, religion, education, occupation and gender also influence the buyer behaviour in rural areas.

Sarvani (2002) examined and revealed about four important projects launched by it is in rural India. (1) Project streamline (1998) addressed the problems of the rural distribution system to enhance HLL’s control on the rural supply (2) Project Bharat (1999) was a direct marketing exercise undertaken to address the issue of awareness, attitudes and habits of rural consumers (3) Project millennium (2000) where in it targeted at increasing its share in the Tea market (4) project Shakthi Sought to create a sustainable partnership between HLL and its low income rural consumers by providing then access to micro – credit into investment opportunities as enterprise through sharing profits.

Keshav Sharma et al., (2002) found the rural consumers believed in joint buying decision making in consultation with the elders and the ladies of the house for their personal use according to their own independent buying decisions. Advertisement with rural culture and regional/local language attracted the audience. The entire respondent felt strongly about their customs and traditions. The respondents were aware of the availability of the products. They preferred quality to price.
**Keshav Sharma (2002)** The study showed that rural customer in the urban analogous villages wants to acquire the urban life style but when it comes to buying, decision making is entirely different from its urban counterpart. Culture has a great influence on their buying decisions.

a) Equal status of female in buying decision making.

b) The rural customer upholds his traditions and customs in high esteem.

c) They hate the way their culture is being diluted through ads.

d) Only a very small proportion of the younger segment is willing to change and keep only the good that their culture has.

The Rural customer is simple and virgin. Upholding the dictum that customer is the king, if marketers try to approach him through his culture, he will feel respected and honored and will be forever yours.

**Kim et.al (2002)** argues that customer values get influenced by product attributes and consumption behavior and they consider customer values as an output of culture. Advertisement can influence customer perception. Due to cultural differences, the perception may differ. Little attention has been focused on the Indian culture and their perception to global advertisement. Therefore, this can be helpful to global brands, especially when India is one of the top emerging markets.

**Kevin J. Clancy (2001)** has conducted research into the state of brands in America. The results demonstrate that consumers can’t see differences between major brands in most product and service categories. As a result, more people buy products based on price.
Kannan S (2001) pointed out that many companies take different routes to reach rural consumers, FMCG used the weapon of sachets to modify and motivate rural consumers to try their products and it is reaping, good results as the recent survey clearly indicates that 80% of the companies‘ revenue comes from small stock keeping units.

Maithli Ganjoo (2000) of ORCN examines in his analysis that the size of the pack helps the rural consumers pick the product at a price that they can afford. Certain products like detergent and paste were bought in larger quantities, whereas shampoos, toilet soaps, eatables were bought in smaller pack sizes, the products were common to family members who bought in large pack sizes, whereas individuals preferred smaller packs. The storage life of a product also has a bearing on the decision.

Pradeep Lokhande (2000) Director on a Pune based rural research agency observed in his article the effectiveness of sampling in rural markets. He says that the effectiveness of rural promotions and their results could mean more than just plain numbers. There was a need to demarcate brand registration and brand sale, and adds that brand registration was vital in the rural perspective, because it may then spread to other products under the same umbrella.

Upadhyaya et al. (2000) suggested that top management’s commitment to serve the rural market already exists, but lower level that looks after implementation, have exposure mostly to urban markets. Rural marketing is a network of relationships and although, rural buyers take a long time to make-
up their minds to decide, once they decide, they do not change their decision in a hurry. Therefore marketers' need patience and persistence in dealing with non-educated rural traders and consumers.

Ziauddin Khariroowala and Sait Siddiqui (2000) conducted a survey in five weekly haats of villages in western Uttar Pradesh among 200 rural consumers. The survey revealed that the people with lesser monthly earning prefer to buy from Haat. Rich people avoid purchasing from small Haats because they look for branded and quality products. They concluded that Haats have lot of potential which needs to be exploited. Haats can come out to be an answer to all marketing problems faced in rural India.

Harish Kumar (1999) Managing Director, Maharaja Appliances LTD., reveals that, as of now, very few players were actually tapping its potential in rural markets. Since branded and quality products were unavailable, rural folk had to be satisfied with sub – standard or illegal products. Moreover, the difference between the process of gray products and legal branded products was also a major deterrent. He brought out the reason that with a rise in rural per – capital income, 37 The tendency to move towards easy lifestyle will be a boon to the consumer durable industry.

Narayan Krishnamurthy (1999). In his article he has pointed out that semiotics primarily works best for products that have low – involvement at the time of purchase, and had very frequent usage. Fast moving consumer goods (FMCG) such as soaps, shampoo, types goods and tea were the one that fit the bill best Mnemonics also became crucial to nurture and retain place in mind

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space. The shelf–life of FMCG products was short enough for most to remember those products by their symbols, colors and names, or a combination of those elements. The low level of literacy in rural India acts positively for signs and symbols along with visual looks, to succeed.

**Upadhyay (1999)** identified significant differences between rural and urban areas on the basis of the role played by different members of a family in purchase decision of non-durable goods. As initiators, husbands and kids are more prominent in rural areas, while wife is more prominent in the urban areas.

**Vasudeva (1999)** observed that the proportion of households, which are brand loyal to one or more brands, are similar in urban market and rural markets. Toothpaste is the only product for which rural market shows greater brand loyalty than the urban market. The rural brand loyal consumers were found to be comparatively more price conscious than the urban brand loyal for detergent powder and toilet soaps.

**Jarvis (1998)** identified that a purchase decision requires a subset of decisions associated with information search. At some point in time, consumers acquire information from external sources that gets stored in long-term memory. For most consumers, usually this stored information, referred to as internal information, serves as the primary source of information most of the time as is evident in nominal or limited decision making.

**Baiding Hu (1997)** stated that the success of the economic reforms in rural China has raised the living standards of rural households. This is
reflected in households’ consuming goods and services that were not previously part of their consumption pattern. However, because of differences in economic and demographic characteristics, not every household has been able to increase consumption. Consequently, it will be useful to investigate how the likelihood of consuming such goods and services is affected by economic and demographic factors. In this paper, the profit model is used to compute the marginal and mean probabilities of consumption of five such goods and services, namely, Food away from home, Recreation, Medical Care, Transport and Postage.

Kent and Allen (1994) explained that brand familiarity captures consumer’s brand knowledge structures, that is, the brand associates that exist within a consumer’s memory. Although many advertised products are familiar to consumers, many others are unfamiliar, either because they are new to the market place or because consumers have not yet been exposed to the brand. Consumers may have tried or may use a familiar brand or they may have family or friends who have used the brand and told them something about it.

Geva and Goldman (1991) discussed possible inconsistencies in consumer’s post-purchase attitude when faced with disconfirmed expectations. The main argument, based on an extension of cognitive dissonance theory, was that post-purchase attitude may be characterized by duality. Satisfaction with post purchase may not be closely related to intentions to repurchase because of the different functions they may fulfill. Whereas satisfaction reflects the need
to justify post purchase behavior, intentions to repurchase, which are of instrumental importance, reflect learning from experience.

**Mowen (1988)** found that the focus of many consumer decisions was on the feelings and emotions associated with acquiring or using the brand or with the environment in which it was purchased or used than it’s attributes. Whether consumer decision was attribute-based or driven by emotional or environmental needs, the decision process discussed helps to gain insights into all types of purchases.

**Kenneth (1980)** analyzed the consumer search for information and explored that a consumer often weighs between the cost and value of search. The information does not come free. It involves costs in the form of time, psychological discomfort and financial expenditure. The value of search depends on consumer experience, urgency of making purchase, satisfaction derived from search, perceived risk and value placed on the product.

**Oliver (1980)** compared the pre-purchase expectations and post purchase satisfaction and found that even good performance does not ensure satisfied customers. This was because customer satisfaction typically depends on more than actual performance. According to his expectancy disconfirmation model, it was identified that satisfaction depends on a comparison of pre-purchase expectations to actual outcomes.

**Udo Weiss (1978).** This analysis of China’s rural marketing structure begins with an exposition of the theoretical background to the distribution of commodities in a socialist economy. Citing the paucity of up-to-date
information, the author assumes a degree of continuity and draws on earlier material for his description and analyses of the Chinese rural market. The historical development of market structures is traced from the early 1950s specific policies are discussed in relation to the evolution of broader Chinese development goals. These policies relate to: planned buying and distribution of rural produce, establishment of supply and market cooperatives, rural-urban trade and the renewed importance of village markets. Finally, the author draws some implications from the Chinese experience for other developing countries.

Hung (1977), satisfaction is a kind of stepping away from an experience and evaluating it. One could have a pleasurable experience that caused dissatisfaction because even though it was pleasurable, it wasn’t as pleasurable as it was supposed to be. So satisfaction / dissatisfaction isn’t an emotion, it’s the evaluation of the emotion.

Kapoor (1976) made an attempt to define the emerging lifestyles of 47 rural families living in the villages of Delhi, Haryana, Punjab and Uttar Pradesh. It revealed that rural consumers were not satisfied with the services rendered by village retailers. This includes product availability, price charged, after sale service and credit availability.
Venkatesan (1973) found that the result of satisfaction to the consumer from the purchase of a product or service was that more favorable post-purchase attitudes, higher purchase intentions and brand loyalty are likely to be exhibited that is, the same behavior was likely to be exhibited in a similar purchasing situation. Thus, as long as positive reinforcement takes place, the consumer will tend to continue to purchase the same brand.

H.B. Heath, (1971) One of the prime motivations of life is the necessity to maintain it and that implies a primitive inborn urge to seek food and water. This inherited characteristic is shared by all animals but man, with his considerably improved ability and mental capacity, coupled with experience, has become increasingly discriminative about what he eats and drinks.
CHAPTER IV

ANALYSIS AND INTERPRETATION OF DATA

Table No. 4.1

Classification of the respondents on the basis of the respondent personal information

<table>
<thead>
<tr>
<th>Nature of Distribution</th>
<th>Level</th>
<th>Count</th>
<th>Probability (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>up to 20 years</td>
<td>204</td>
<td>0.34000</td>
</tr>
<tr>
<td></td>
<td>20 to 30 years</td>
<td>175</td>
<td>0.29167</td>
</tr>
<tr>
<td></td>
<td>30 to 40 years</td>
<td>119</td>
<td>0.19833</td>
</tr>
<tr>
<td></td>
<td>40 to 50 years</td>
<td>57</td>
<td>0.09500</td>
</tr>
<tr>
<td></td>
<td>50 and above</td>
<td>45</td>
<td>0.07500</td>
</tr>
<tr>
<td>Gender</td>
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<td>409</td>
<td>0.68167</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>191</td>
<td>0.31833</td>
</tr>
<tr>
<td>Educational Qualification</td>
<td>School level</td>
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</tr>
<tr>
<td></td>
<td>college level</td>
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<tr>
<td></td>
<td>professional level</td>
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<tr>
<td></td>
<td>Technical</td>
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<td>0.03667</td>
</tr>
<tr>
<td>Nature of Occupation</td>
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<td>0.04833</td>
</tr>
<tr>
<td></td>
<td>Private Employment</td>
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<td>0.22167</td>
</tr>
<tr>
<td></td>
<td>Government Employment</td>
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<td>0.06333</td>
</tr>
<tr>
<td></td>
<td>Business/Professional</td>
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<td>0.32000</td>
</tr>
<tr>
<td></td>
<td>Others</td>
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<td>0.34667</td>
</tr>
<tr>
<td></td>
<td>agriculture</td>
<td>29</td>
<td>0.04833</td>
</tr>
<tr>
<td>Marital status</td>
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</tr>
<tr>
<td></td>
<td>Unmarried</td>
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<td>0.36333</td>
</tr>
<tr>
<td>Type of Family</td>
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<tr>
<td></td>
<td>Nuclear Family</td>
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<td>0.69833</td>
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