CHAPTER # 4

RESEARCH METHODOLOGY
4.1 Introduction

The present research study is based on the premise of a marketing research which has been defined by The American Marketing Association as "the function that links the consumer, customer, and public to the marketer through information- information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues; designs the methods for collecting information; manage and implement the data collection process; analyzes the results; and communicates the findings and their implementations".¹

In other words, Marketing Research is the systematic and objective identification, collection, analysis, dissemination, and use of information for the purpose of improving decision-making related to the identification and solution of problems (and opportunities) in marketing. Marketing research is systematic and step by step process. Thus, meticulous planning is required at all the stages of the marketing research process. The procedures followed at each stage are methodologically sound, well documented, and, as much as possible planned. The present study has been carried out by systematically following six steps of marketing research process namely:

1. Problem Identification
2. Approach to the problem
3. Research Design
4. Fieldwork or Data collection
5. Data Preparation and Analysis
6. Report preparation and presentation²
4.2 Problem Identification

As discussed earlier, it is imperative that consumer buying behavior is influenced by different factors like cultural (culture, subculture, and social class); social (reference groups, family, and social roles and statuses); and personal (age, stage in the life cycle, occupation, economic circumstances, lifestyle, personality, and self-concept). Research into all these factors can provide marketers with clues to reach and serve consumers more effectively. In today's changing environment, both with respect to customers preferences and organizations' offering and / or orientation in the market, it becomes necessary to keep track on customers behavior more so when products like colour televisions, home theatres, microwave ovens, refrigerator, washing machines, vacuum cleaner and food processor / juicer mixer offers different variety with respect to colour, size, design / shape, technical specifications / features, capacity, speed, performance, etc. Several new products have entered into this specified product categories namely entertainment, preservatives and cleaning under white goods industry but still the basic questions remain unanswered as to what factors influences consumer perception and preference of these products, their points of status symbols, proportion of income spent on basic necessities and the amount of income spent on luxuries and understanding or identification of factors that motivates consumer brand switching.

However, the real questions are to study the linkages between advertising and awareness; awareness and brand preferences, and effect of sales promotion measures like offers / discount schemes etc on customer brand switching behavior. These questions may not be equally important for each and every product category; however, a detailed probe of the same may bring interesting facets of consumer buying behavior - hitherto unknown, in the related field. For example, generally customers do not switch their brands for food processors / juicer mixer as they generally accept repairs and maintenance for the same which leaves less room for showing their dissonance. However, in certain product category where sales are driven by intense competition, it is very difficult to study factors that cause such brand switching.

It is assumed that the gaps between the ideal behavior and the actual behavior will lend enough insights for firms to decide on their brand-naming strategies be it entry-level or post
The study will give insights into the profile of the consumer and about their behavior which may on account of certain forces be detrimental to the interest of the economy in general and to some firms in particular —who reports brand switching. The proposed study aims at highlighting the issues in providing a base for understanding consumer behavior with respect to white goods industry.

After a thorough study of research done in last 30 years in the field of consumer buying behaviour and factors that influences it, one comes to conclusions that one critical aspect of measurement of consumer buying behaviour of householders for products under white goods is missing. Researchers have focused more on consumer buying stages as a constructs which is not an end in itself. Understanding consumer buying behaviour in a particular context is of immense use to marketers. In Indian context, where consumers spending and their purchasing patterns changes dynamically, its all the more critical to measure the behaviour of consumers for selected products under white goods industry. From a generalized model of consumer decision process, one infers the need for including some antecedent factors which can also pinpoint issues with respect to consumer awareness and its sources; consumer perception and preferences; and consumer opinions as to brand loyalty and brand switching.

4.3 Approach to the problem

Development of an approach to the problem includes formulating an objective or theoretical framework, analytical models, research questions, hypothesis and identifying characteristics or factors that can influence the research design.

The present study primarily focus on understanding consumer buying behavior with respect to white goods industry for selected products. It aims to bring forth issues like consumers perceptions and preferences, factors influencing their purchase decision, information sources and amount of time spent in search of such information, and opinion / factors that motivates brand switching from the ultimate consumer namely households.
4.3.1 Scope of the study

This study is based on primary and secondary sources of information. It mainly concentrates on consumers' ownerships, status symbols (necessity or luxury), perceptions and preferences of such white goods, their information sources and amount of time spent (high / low involvement), factors influencing their purchase decisions, and post purchase behavior, if any like brand switching. It also includes comparisons of various demographic groups of customer and among customers of ten cities of Gujarat state viz. Ahmedabad, Anand-Vidyanagar, Bhavnagar, Bhuj, Jamnagar, Junagadh, Mehsana, Rajkot, Surat, and Vadodara. Data was collected from the actual as well as potential customers in three selected products categories of white goods industry namely entertainment (products selected includes colour televisions and home theatres) preservatives (products selected includes microwave ovens, refrigerator and food processor / mixer / grinder), and cleaning (products includes washing machines and vacuum cleaner). However, for certain questions like identifying the factors that influence consumer buying behavior, separate analysis was not carried as it was assumed that factors remain same irrespective of the selected product categories; more so when the study was focused on understanding the consumer buying behavior for white goods industry as a whole.

The study is restricted to eight leading brands across - all product categories namely Akai, BPL, LG, Onida, Philips, Samsung, Sony, Videocon for entertainment category. Brands like Electrolux, Haier, Kenstar, IFB, Whirlpool, Godrej, Daewoo, Bajai, Boss, Jaipan, Manaharaj Whiteline, Summet, Bouch, Eureka Forbes, Panasonic and Toshiba among others which form part of preservatives and cleaning categories. The study is descriptive in nature.

It also includes information pertaining to consumer demographics which are objective and quantifiable population characteristics. They are rather easy to identify, collect, measure, and analyze – show diversity around defined population / cities / state or nations. The demographics covered here are populations size, gender, and age; income and expenditures; occupations and education; size of the family / household and number of earning members in the family; ownership of assets and loan availed. After studying each factor, a firm can form
a consumer demographic profile – a demographic profile composite of a consumer group. By doing so, it is possible to pinpoint both opportunities and potential problems.

4.3.2 Objectives

The study investigates the consumer buying behaviour vis-à-vis brand perception and preferences, ownership and need satisfaction in the selected products of white goods industry market in the selected cities of Gujarat state. More then ever today, branding in Asia, especially in Indian market, is becoming important to business’s marketing and sales strategy. Business in this geography is characterized by aggressive marketing and advertising efforts by all the players.

The following broad objectives are set out:

(i) To identify status symbols in order of preference of these consumers.
(ii) To identify the proportion of income spent on basic necessities and the amount of income spent on luxuries.
(iii) To identify consumer perception and preference towards brands operating in white goods industry.
(iv) To analyze important factors that influence consumer behavior in the purchase of Colour Television (CTV), Home Theater, Washing Machine, Vacuum Cleaner, Refrigerator, Microwave Oven, and Food Processor /Juicer Mixer.
(v) To identify factors that motivates consumer brand switching.

1. To identify status symbols in order of preference of these consumers.

There are number of criteria on basis of which householder / customer selects specific products in white goods category. The present research focuses on understanding the status symbols (necessity or luxury) for selected categories of white goods products. It is necessary to identify the consumers’ perception of products under study as it can be classified in terms of necessity or luxury.
However, it is important to know the concepts that are attached to the mentioned objective. It involves understanding the concepts of 'status' (often termed as luxury / prestige) and 'necessities' (often described as inexpensive and less searched for items).

Researches have showed this phenomenon through consumer involvement and purchasing patterns (search & ownership).

Understanding of status or the distinction between luxury and necessity has to be interpreted based on their ownership pattern which is contingent on a particular socio-economic framework.

1. The consumption of luxury brands is viewed as a *signal of status and wealth*, and whose price, expensive by normal standards, enhances the value of such a signal (perceived conspicuous value).

2. Status or Luxury is derived partly from the technical superiority or through product's *subjective intangible benefits* which is generated by way of rating of brands.

John D Claxton (1974) in a study assesses underlying reasons for any differences *uncovered in pre-purchase search patterns*. Three classes of variables have been seen as potential causes of search pattern differences – individual, situational, and product characteristics. Individual differences, particularly those relating to a purchaser’s interests and knowledge influence the nature of information gathered, the nature of the sources used and the amount of information obtained. Situational factors and economic constraints and condition of existing product were also expected to influence the duration and extent of the search process. Finally, product differences such as cost, fashion versus function importance, and use circumstances were anticipated to have bearing on search.

The question of consumer search / pre purchase information seeking has always been part of the buying process. How much importance do consumers give to information and how much effort do they exert during the purchase of expensive goods like durables?
Therefore, the first objective of the study is to identify the status symbols in order of preferences of the householders. The study attempts to find out the among the selected products in the white goods industry that are perceived as necessities or luxuries while also analyzing their involvement which is measure through the levels / amount of information they seek from different sources before purchasing the products.

2. To identify the proportion of income spent on basic necessities and the amount of income spent on luxuries.

As an extension of the first objective and in order to identify proportion of income spent on basic necessities and the amount of income spent on luxuries, an assessment of households last five years purchases related to the selected products of white goods under study was attempted where a clear distinction was being made between products that they considered as luxury or necessity. To ascertain households spending on basic necessities, information as to their monthly general expenses was sought. The study attempts to find out households actual or approximate spending on luxuries or necessities (as denoted by them in the earlier objective) with mathematical computation so as to elicit households spending pattern. Hence, one of the objectives of the present study is to find out the households spending on basic necessities and on luxuries vis-à-vis their perception of the product (i.e. luxury or necessity), annual income and monthly expenses for ten cities of the Gujarat state.

3. To identify consumer perception and preference towards brands operating in white goods industry.

Customer perception plays very important role at each and every stage of consumer buying decision-making process. It is customers’ perception that decides the success of any brands as they draw their favorable or unfavorable perception in their mind which finally shapes their preferences.

Perception of the product is more important than the product itself and product perceptions manifest themselves in brands. Some brands tend to have a very strong influence in the marketplace and that is the reason they have been considered as one of the most important
elements of a firm's marketing strategy. A brand is a perceived image that resides in the minds of consumers (Davis, 1995)4.

Consumer beliefs or perceptions about brands form part of what is known as brand knowledge (Keller, 2003)5. These perceptions are created through customer interactions with a given brand, such as when buying or using the brand, being exposed to advertising, publicity or word of mouth. This information may develop into perception about the brand, which may be positive, negative or neutral (Krishnan, 1996)6. Consumers can use beliefs to compare the benefits and deficits of different brands, act as a cue for retrieval in purchase situations, and/or as a component of an overall attitude to the brand (Bettman, 19797; Fishbein, 19678).

The “Customer Perceived Value” concept can be operationalized from the perspective of “Value of Objects” (products, brands, services, and relationships). A review of value literature from the relational contexts and from firms’ point of view presents an interesting account of the various perspectives.

In competitive markets characterized by little product differentiation - branding based on product/service related attributes becomes difficult, marketers make all attempts to increase their brand preference. Hence, one of the basic objectives of this research is to study the brand preference of householders which is more based on consumers’ perception or self-image.

By tracking both brand usage and brand perception of the same people over time, it is possible to see what the relationship between perception and behaviour is prior to changing behaviour, and compare this with the realignment in perception / beliefs after the change in behaviour. Another relatively neglected area of research into consumer perception is the incidence and impact of negative perception. Most studies focus on the positive perception consumers hold (a notable exception is Woodside and Trappey, 1992)9. Recognizing the extent to which consumer choice is influenced by the positive and/or negative perception a person holds about a brand is an important research issue – as most of marketing and brand
strategies draw on brand or marketing managers' understanding of these relationships. For example, it determines the extent to which marketing activities are about extolling the brand's virtues or trying to overcome consumer barriers to purchase. Therefore, in an effort to address some of the limitations and gaps in the literature, this research investigates the level of overall perception (favorable to unfavorable) of householders about major brands operating in white goods industry for selected products where consumers are asked to rate their level of perception on a 1-5 Likert Scale. It is based on the notion that a customer's brand choice decision is influenced by the customer's perception about the product or brand.

4. To analyze important factors that influence consumer behavior in the purchase of Colour Television (CTV), Home Theater, Washing Machine, Vacuum Cleaner, Refrigerator, Microwave Oven, and Food Processor / Juicer Mixer.

The present research has tried to study the consumer behaviour on parameters like product, price, its availability and information, advertisements and offers, after sales service, brand and retailers image, family and friends / relatives influence, salesman's opinion, showroom ambience and various other aspects, which shape the overall perception of customers towards brands offered in white goods industry. It is based on the hypothesis that a customer's brand choice decision is influenced by the customer's perception about the product which offer any of the following benefits namely Functional, Social, Emotional, Epistemic, Conditional, benefits and sacrifices.

Marketing Mix factors namely product, price, place, and promotion and elements thereof considerably exert influence on consumer purchase behaviour or intentions in different product categories. On basis of level of influence exerted an attempt has been made to analyze various factors that influence consumers' behaviour in the purchase of products classified under white goods industry as a whole.

5. To identify factors that motivates consumer brand switching.

In India, still there is scope for improvement in white goods sector irrespective of product improvement or innovation, or services (both pre & post) and to be precise on price front.
Presently we are living in a state of flux where the only constant thing is change. This phenomenon of constant change poses both opportunities and challenges for marketers. With the advent of new technology, certain products (electronic and computer products) become obsolete within a very short time span. Every week new products with new features, promotional schemes, and attractive prices are launched that confuse the consumer. Consumer faces anxiety under such circumstances. This may be an opportunity for marketers as it may create certain challenges as it is observed that these are the factors that generally motivate consumer brand switching in the market.

There are three well-known conditions for dissonance to arise. The decision needs to be important, irrevocable and voluntary (Cummings & Venkatesan 1976; Oliver, 1997)\(^{10}\). These conditions are a matter of degree and are most apparent in extended problem-solving decisions, such as when purchasing major durables or appliances, which vary in terms of features and price across different brands (Oliver, 1997)\(^{11}\).

Derived from the general utility expectation theory, the regret theory suggests that a consumer's actual decision to purchase and/or consume will be determined by the anticipated level of utility associated with purchasing a particular good or service in the face of alternatives. If the experience derived from the good or service actually purchased surpasses the presumed consequences of consuming the alternative, the individual will be satisfied with the purchase. If, on the other hand, he/she believes that the experience derived is inferior to that which they believe would have resulted from purchasing and/or consuming their rejected options, s/he will regret their decision (Bell, 1983)\(^{12}\). Oliver (1997, p. 242) further proposed that dissonance occurs at various stages of the consumption process, although he accepted that dissonance is generally recognized as a post-decision and/or a post-use phenomenon.

*There are number of factors that motivate consumer brand switching which may be on account of their post-purchase satisfaction level. The study is intended to identify the factors for customer dissatisfaction after purchase (if any).*
4.3.3 Hypotheses

1. Consumers do not spend more time in information search when it comes to purchase of these white goods.

Consumers make purchase decisions in a variety of ways depending on circumstances. One of the key factors which influences the way in which a purchase decision is made is the level of consumer involvement in the product. Consumer behaviour theory suggests that complex decision-making is associated with investing a high level of effort. It is a systematic, often iterative process in which the consumer learns about the attributes of products and develops a set of purchase criteria for choosing the most suitable product. The benefit or purchase criteria represent the key benefits sought by the consumer and generally reflect their usage situation.

From marketing perspective, consumer behavior can be studied through the classical five-step (need – information search – evaluation of alternatives – purchase – post-purchase evaluation) problem solving paradigm or through the progression of consumer choice from a product class to brand choice (Dorsch, Grove, and Darden, 2000). The acquisition of any new white goods (from the list of products selected for the study) follows this traditional view of buying process, but is in many situations also affected by symbolic values related to brands.

In the light of the classical problem solving buying behavior, consumers engage in information search before making the actual choice. Consumer decision making process is usually guided by already formed preferences for a particular alternative. This means that consumers are likely to make the choice between alternatives based on limited information search activity (Beatty and Smith, 1987; Moorthy, Ratchford and Talukdar, 1997) and without detailed evaluation of the other alternatives (Alba and Hutchinson, 2000; Chernev, 2003; Coupey, Irwin and Payne, 1998). In close relation to information search, evaluation of alternatives has also gained a momentum in recent research (Laroche, Kim and Matsui, 2003).
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<th>Contributor</th>
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<tr>
<td>Dorsch, Grove and Garden (2000)</td>
<td>Survey (n = 223)</td>
<td>Suggests that two distinct frameworks can be used to study consumer choice behavior: the classic problem-solving paradigm and the progression of consumer choice from product class through brand choice</td>
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<tr>
<td>Beatty and Scott (1987)</td>
<td>Survey (n = 351)</td>
<td>Consumers make choices between alternatives based on limited information search and processing</td>
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<tr>
<td>Alba and Hutchinson (2000)</td>
<td>Literature review</td>
<td>Choice is made without detailed evaluation of alternatives.</td>
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<td>Chernev (2003)</td>
<td>Four experiments (n = 88)</td>
<td>Similar to Alba and Hutchinson (2000). In addition, choices made from large assortments can lead to weaker preferences.</td>
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<td>Coupey, Irwin and Payne (1998)</td>
<td>Three studies (n = 48; n = 66; n = 28)</td>
<td>Similar to Alba and Hutchinson (2000). Moreover, product familiarity influences preference construction. Preferences are often labile due to limited evaluation of alternatives.</td>
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<td>Laroche, Kim and Matsui (2003)</td>
<td>Two surveys (n = 234; n = 235)</td>
<td>Suggesting that conjunctive heuristic is the most often used decision model in the consideration set formation.</td>
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<td>Swait and Adamovicz (2001), see also Dhar, Nowlis and Sherman (2000)</td>
<td>Survey (n = 280)</td>
<td>Consumer decision making strategies can change due to person-, context-, and task-specific factors.</td>
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<tr>
<td>Fitzsimons et al. (2002)</td>
<td>Literature review</td>
<td>Consumer choice often occurs outside conscious awareness. Nonconscious influences affect choice much more than many researchers believe.</td>
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During the past five decades, consumer involvement has received notable attention among academicians as it is considered to have paradigmatic implications on consumer decision making. Most of the studies on consumer involvement have been conducted in developed economies and more specifically in the US (O'Cass, 1998). If the construct is to receive wider acknowledgement and generalizability, there is a need for studies on consumer involvement spanning varied cultures and contexts. In India, studies on consumer involvement have received little attention except for a few studies conducted by Avinandan and Anirban (1996), Sadarangani and Sanjaya (1998), Jain and Sharma (2000), Sharma (2000), Jain and Sharma (2002).

Consumer involvement is a source to explain the differences in the degree of both mental and physical effort of a consumer and his decision-making (Beharrell and Denison, 1995; Laaksonen, 1994). The concept of involvement originated from the Split Half theory where the assumption is that the left and right halves of the human brain process information differently (Mittal, 1987). Krugman (1965) proposed that there are two levels of involvement; low and high and associated it with the split half theory. Later the theory was extended by claiming that consumer involvement is on a continuum with low and high at the two extremes of the continuum (Zaichkowsky, 1985, Laurent and Kepferer, 1985). When compared to low-involved consumers, high-involved consumers use more criteria for choice making (Mitchell, 1989); search for more information (Beatty, and Smith, 1987); know more about the alternatives (Petty and Cacioppo, 1983; Maheswaran and Levy, 1990); process relevant information in detail (Chaiken, 1980); and will form attitudes that are more resistant to change (Petty et al 1983).

Consumer involvement has been related to objects or levels like product, advertising, message, programme, situation (Mitchell, 1979, Petty and Cacioppo, 1981, Laurent and Kepferer, 1985, Slama and Taschain, 1985) and behaviours like purchase and response (Clarke and Belk, 1978, Blouch and Richins, 1983). Though consumer involvement can take place at various levels other than the product, Finn (1983) argues that the level of motivation results from product attributes and relatedness of the product to the consumer's psycho social wants and needs. It has also been identified that products which are highly
priced, having complex features and high perceived risk generate high involvement levels on the part of the consumers. Consumers express low involvement levels for products that are generally low priced; have simple features and low perceived risk (Richins and Blouch, 198645, Saxena, 200246, Kotler, 200247).

Further, in one of the studies of consumers buying cars and major household appliances it showed evidence of limited external search. Numerous other instances have been reported of consumers undertaking limited external search for expensive brand purchases in such product fields as financial services, housing, furniture and clothing. (de Chernatory and McDonald, 1992, p. 70)48

From the above, it can be concluded that the consumers have large amounts of information available to them, namely from many different sources-experience, word of mouth, observation, retailers, advertising, press comment and so on. They probably absorb some of it unconsciously, and certainly selectively. They appear to use very little in routine, low-involvement purchases. According to de Chernatony and McDonald (1992) consumers look for surprisingly little even where there is more at stake, that is, in buying expensive, long-lasting items.

Thus, the level of consumer involvement is dependent on the product. As each product has different levels of perceived risk, features and prices, the researcher speculates that the involvement levels would differ across selected white goods products as the consumers / households will search for more information or will consume / take more time to decide on their purchases.

2. Sales Promotion Schemes do not influence consumers purchasing decisions for these products.

In the liberalized economic scenario, Indian markets have witnessed an enormous proliferation of products/brands leading to severe competition. Inflationary trends in the economy have led to increased media costs forcing many companies to increase their expenditure on sales promotion activities. This trend is likely to continue. Also, it has been
recognized that well-planned sales promotion activities have a strategic role to play in brand building and enhancing customer loyalty.

In recent years, the white goods / consumer durable industry is witnessing increased use of sales promotion activities all over the world. This sector is characterized by products having high unit value and high involvement on the part of consumer behaviour (Kotler, 2003). Given the growing importance of sales promotion, there has been considerable interest in the effect of sales promotion on different dimensions such as consumers' price perceptions, brand choice, brand switching behaviour, evaluation of brand equity, effect on brand perception and so on. One of the purposes of a consumer promotion is to elicit a direct impact on the purchase behaviour of the firm's customers (Kotler, 2002; Blattberg and Neslin, 1990). Research evidence suggests that sales promotions positively affect short-term sales (Priya, 2004). Research on price promotion has consistently reported high sales effect and high price elasticity for brands which are on promotion (Blattberg, Briesch and Fox, 1995). Studies have shown that price promotions enhance brand substitution within a product category (Dodson et al. 1978) and affect aggregate sales (Gupta, 1998).

Sales promotion offers like discounts / exchanges, free-bees, was found to have some impact on brand switching behaviour. If there are several brands in a consideration set of buyer, (he) does not mind switching among these brands. The findings from a study by Blattberg and Neslin (1990) indicate that more than 60 per cent increase in sales is due to sales promotion comes from brand switching. But it does not explain the phenomenon on its own. It is important that marketers will have to keep an eye to understand the happening of this phenomenon which consequently helps them to lessen the brand switching behaviour among customers.

Companies worldwide lose half of their customers every five years. But most managers fail to address the fact head-on by striving to learn why these customers defected. They are mistaken, because an increasing switching rate is a sign that a business is in trouble. By
analyzing the causes of switching, managers can learn how to stem the decline and build a successful enterprise.

Several studies using panel data as well as scanner data have thrown light on the level of incentive offered and its impact on sales or consumer purchasing decisions. Tellis (1988)\(^{57}\) reports a major study that had reviewed data on 367 brands that appeared in the academic literature from 1961 to 1985. The most important feature of this survey was the high level of average price elasticity – 1.76. – which means that 10 per cent price reduction would boost sales by 17.6 per cent. In a study by Kepalle and Mela (1999)\(^{58}\), the dynamic effect of discounting on sales has been studies and normative pricing implications discussed. The results suggest that managers can increase profits by as much as 7 per cent to 31 per cent over the current practices by innovative sales promotion offers. A recent study by Nowlis and Simonson (2000)\(^{59}\) identifies moderators of switching between brands in different price-quality tiers. The authors propose that the likelihood of switching between particular brand tiers due to price promotions could be predicted based on the choice set compositions. Also, they propose that consumers tend to trade up in a higher price quality tier if promotion is offered by a premium brand but would not trade down if a lower price/quality tier brand offers promotion. A study by Raghubir and Coffman (1999)\(^{60}\) finds out the role price promotions play in affecting pretrial brand evaluations in the service context.

Brand loyalty as an issue has not been discussed in particular because in accordance with viewpoint of Herzberge et al (1959)\(^{61}\) and Droge and Halstead (1991)\(^{62}\), it is clear that antecedents and consequences of satisfaction and loyalty differ from antecedents and consequences of dissatisfaction and disloyalty. Unfortunately, there does not seem to have been an intersection of these two important streams of literature (Chakravarty et al., 2003)\(^{63}\).

However, Desbarats (1995)\(^{64}\) observes that for many, the relationship, or ‘usability’, lies at the heart of the way brand values and brand loyalty are created. Study conducted by Fornell (1992)\(^{65}\) also suggests that many companies have recently developed defense strategies for retaining customers through quality products and services, both in business and consumer markets. Bloemar and Kasper (1995)\(^{66}\) hypothesized that positive relationship manifest
between satisfaction and true brand loyalty is stronger than positive relationship between latent satisfaction and true brand loyalty. In other words, a moderator effect of the amount of elaboration upon the relationship between consumer satisfaction and true brand loyalty is expected and found. The results of the study conducted by Bloemer and Kasper (1995) clearly provide a viewpoint which confirms the hypothesis that sales promotion schemes like offers and discounts, etc does have a relationship with consumer purchasing decisions or brand switching behaviour.

While many studies have shown the impact of sales promotion activities on sales and consumer behaviour (Vyas and Mehta, 2004)\textsuperscript{67}, the author would like to state that relatively small amount of material is available which discusses the issue of brand switching as most of the work has been carried out in the area of brand loyalty.

The study addresses the effect of sales promotion measures adopted by marketers like offers / discounts, exchanges, etc that lead to switching behaviour in various product categories in the state of Gujarat. A fair amount of research has been carried out in the area of customer satisfaction and loyalty and many customer satisfaction indexes are available in the market using different variables and characteristics. Hence, this research attempts to study the consumer purchase decisions or brand switching behaviour by understanding their opinion on seven selected products from white goods industry namely colour television, home theatres, washing machine, vacuum cleaners, microwave-ovens, refrigerators, and food processor/juicer mixer.

3. There is no relationship between advertising and brand awareness.

The objective in the advertising will usually be to remind consumers of the product and to address consumer perceptions of the brand, as Arnold\textsuperscript{68} notes: ‘As it becomes harder to find any other differentiator than “image”, “reputation” or “personality”, promotion becomes ever more important. The added values of a brand start and end with consumer perception. As it is communication which feeds perception, promotion is necessarily the heart of branding.'
Brand awareness relates to creating in consumers, the awareness about a brand. It is generally performed during the pre-launch period, i.e. before the brand is actually launched. However, it has to be continued even after the brand has been launched, in order to ensure ‘top-of-mind recall’. It is evaluated by using the techniques of brand recall (aided) and brand recognition / rating (Keller, 2003)\textsuperscript{69}.

Brand awareness is essential for consumers if they have to buy the respective brand (Rossiter and Percy, 1997)\textsuperscript{70}. Brand awareness is the crucial first stage in buyer readiness to develop a brand preference and move closer to the point of purchase (Ross and Harradine, 2004)\textsuperscript{71}. Awareness is generally created through information from mass communication, interpersonal and personal sources play a vital role amongst consumers by heavily influencing their purchases and choice of brands (Skim et al., cited in Beaudoin et al., 2003)\textsuperscript{72}.

The accepted wisdom regarding the use of information sources during the decision process is that the mass media are most used by individuals during the initial stages of the decision process (Mason, 1964\textsuperscript{73}; Beal and Rogers, 1957\textsuperscript{74}), while personal sources are most used in the later evaluation stages (Engel, Blackwell and Kegerries, 1969\textsuperscript{75}, Kohn-Berning and Jacoby, 1974\textsuperscript{76}).

A conclusion from this is that the mass media should be used mainly to create awareness and comprehension, and that it has little ability to persuade or influence attitudes. O'Brien (1971)\textsuperscript{77} comments that "it is particularly interesting that commercial information (advertising) has no direct influence on ultimate purchase . . . such influence begins solely with personal sources" (p. 40).

Brand awareness is created and enhanced by increasing the familiarity of the brand through repeated exposure, which ultimately results in consumers having “experienced” the brand (Keller, 2003) When consumers have enough experience of the brand by seeing, hearing or thinking about it, the brand will take root in memory. Advertising is a major path to increased familiarity and brand awareness. Moreover, visual and verbal effects in advertising help entrenched the brand name in the consumer’s memory (Keller, 2003). Hence,
the first task of advertising is to build brand awareness (Gregory, 1993; Hoyer and Brown, 1990). Through advertising, marketers expose potential consumers to the brand and give them the opportunity to accept it. This is the reason why companies such as Nike and Adidas make use of television and magazines to advertise their products and brand names (Waterschoot, cited in Ross and Harradine, 2004).

Hence, this research attempts to study the relationship between advertising and brand awareness by understanding households' point of information for products / brands operating under white goods industry.

4.4 Research Design

A research design is a framework or blueprint for conducting the marketing research. It details the procedures necessary for obtaining the required information needed to structure or solve marketing research problem. Its purpose is to design a study that will test the hypothesis of interest, determine possible answer to the research questions, and provide the information needed for decision-making. Research design may be broadly classified as exploratory or conclusive (Descriptive research and Causal research)

For the present study, a descriptive research design has been used, which is typically more formal and structured than exploratory research. It is based on large, representative samples, and the data obtained are subject to quantitative analysis. Descriptive research design is the most suitable research design as it describes the characteristic of consumer buying behavior with regards to perception, preference, sources of information, level of involvement, and factors they considered for purchase of white goods under selected product categories.

Survey and observation are two important methods that can be used in case of descriptive research. The present study has been carried out by survey method through administration of structured questionnaire for obtaining information. However, observations of the researcher have been duly noted under qualitative information.
4.4.1 Sources of Data
The present study has used both sources of information namely primary data and secondary data.

Primary Data
Preliminary scanning of various secondary data sources preceded primary data collection. The primary investigation proceeded on the framed objectives of the present study. The research instrument consisted of a structured questionnaire. Measurement scales like ordinal, nominal, and Likert’s are used to collect first hand responses from households owning or intending to purchase selected categories of white goods. These primary data have been put to further statistical analysis so as to find out some useful information and generate inferences related to the objectives of the study.

Secondary Data
The published material from books on Marketing Management, Consumer Behavior especially those that probed or centered on their decision aspects, Advertising, Brand Management, and Sales Promotion have been referred to clarify the concept of consumer buying / purchase behavior and their managerial implications based on the study. Attempts have been made to study research papers published in both national and international journals on consumer research, consumer marketing, marketing management, to find out gap in the area of consumer buying behavior with specific focus to the present research and to understand the research methodology used in consumer research. Magazines in the area of consumer behavior and marketing management have been studied to know the emerging trend in consumer and white goods industry. Further, information regarding White Goods / Consumer Durables / Electronics / Household Appliances has been collected from concerned reports like Cygnus Report, Centre for Monitoring Indian Economy (CMIE) published by various research firms. Use of software databases like ‘Capitaline’ and others have provided significant inputs regarding the overall functioning of the industry. Information in the form of leads from newspapers like Business Standard, Business Line, and Economic Times have been used or if necessary, further probed. Over and above this, many scholarly journals, including those form part of several e-journal databases have been examined and thoroughly
reviewed. Besides these unpublished research work on the subject have been used as secondary data sources. These references taken in form of secondary data are used in literature review and some other chapters.

4.4.2 Sampling Plan

Sampling is the method of obtaining information from a portion of the large group of population and the sample is sub-set of the population selected for investigation by some sampling methods. A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or procedure the researcher would adopt in selecting items for the sample. It includes population and sampling unit, determining the sampling techniques and sampling size.

The Population

A population is the aggregate of all the elements that share some common set of characteristics, and that comprise the universe for the purpose of the marketing research problem. In other words, population represents the total set of things under consideration about which some information is desired. The study is carried out in ten major cities of the Gujarat state. All the existing and potential customers form part of the population. All the ten cities of Gujarat state that have been notified as corporations by Government of Gujarat. The below mentioned table gives the total populations and number of households in each city:

<table>
<thead>
<tr>
<th>State</th>
<th>District</th>
<th>City</th>
<th>Population</th>
<th>No. of Household</th>
<th>% of Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gujarat</td>
<td>Ahmedabad</td>
<td>Ahmedabad</td>
<td>4220048</td>
<td>837223</td>
<td>5.0</td>
</tr>
<tr>
<td>Anand</td>
<td>Anand &amp; Vidyanagar</td>
<td>513900</td>
<td>100298</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>Bhavnagar</td>
<td>Bhavnagar</td>
<td>662880</td>
<td>121981</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>Kachchh</td>
<td>Bhuj</td>
<td>345013</td>
<td>71989</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>Jamnagar</td>
<td>Jamnagar</td>
<td>761375</td>
<td>141588</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>Junagadh</td>
<td>Junagadh</td>
<td>380872</td>
<td>74271</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>Mehasana</td>
<td>Mehasana</td>
<td>461320</td>
<td>90920</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>Rajkot</td>
<td>Rajkot</td>
<td>1137984</td>
<td>220028</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>Surat</td>
<td>Surat</td>
<td>2433835</td>
<td>491190</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>Vadodara</td>
<td>Vadodara</td>
<td>1705989</td>
<td>363886</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>12623216</strong></td>
<td><strong>2513374</strong></td>
<td><strong>5.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Sampling Unit**

A sampling unit is an element or a unit containing the element that is available for selection at some stage of the sampling process. Sampling units for the study is household in the given sample size. From the above data, all the existing customers (householders) who have purchased (for ownership information) or intended to purchase selected product categories listed under study (for perception, preference and other objectives) were defined as sampling unit for the purpose of the study.

**Sampling techniques**

Sampling techniques may be broadly classified as probability and non-probability sampling. The underlying difference between the two is that the former is based on chance and the latter relies more on personal judgment of the researcher. Non-probability sampling techniques can be classified under the following main heads namely Convenience Sampling, Judgment Sampling, Quota Sampling, and Snowball Sampling. On the other hand, Probability sampling includes Simple Random Sampling, Systematic Sampling, Stratified Sampling, Cluster Sampling, and other sampling techniques. The present research is based on Cluster Sampling as the information regarding composition of the populations for the products under study where unknown or difficult to define or could not be arrived at.

In order to study the consumer buying behavior for selected categories of white goods in the state of Gujarat, the districts as mentioned in Table - 4.2 were identified from the total districts of Gujarat state. A total of ten districts were earmarked for the study and one city from each district was defined as a cluster (geographical unit). Each cluster was found to be similar in terms of residential characteristics in the present case 5.0 percentage of households (Refer to Table - 4.2., Column No. 6 form Left-Hand Side). From the list of many such districts / cities, a total of ten cities were finally selected for the research.

The main reasons for using cluster sampling was to overcome the problem of incomplete information about the population under study and select the sample through probability sampling where each household has known chance of being selected.
Size of the Sample

As the sample size desired for the present study was 1000 households comprising from all ten cities, the specific sample members / householders were identified on a proportionate basis from each cluster.

<table>
<thead>
<tr>
<th>District</th>
<th>City</th>
<th>No. of Household</th>
<th>Proportionate Representation of Sample Household*</th>
<th>Sample Household (Approximated)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmedabad</td>
<td>Ahmedabad</td>
<td>837223</td>
<td>333</td>
<td>300</td>
</tr>
<tr>
<td>Anand</td>
<td>Anand &amp; Vidyanagar</td>
<td>100298</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>Bhavnagar</td>
<td>Bhavnagar</td>
<td>121981</td>
<td>49</td>
<td>50</td>
</tr>
<tr>
<td>Kachchh</td>
<td>Bhuj</td>
<td>71989</td>
<td>29</td>
<td>30</td>
</tr>
<tr>
<td>Jamnagar</td>
<td>Jamnagar</td>
<td>141588</td>
<td>56</td>
<td>60</td>
</tr>
<tr>
<td>Junagadh</td>
<td>Junagadh</td>
<td>74271</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Mehasana</td>
<td>Mehasana</td>
<td>90920</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td>Rajkot</td>
<td>Rajkot</td>
<td>220028</td>
<td>88</td>
<td>100</td>
</tr>
<tr>
<td>Surat</td>
<td>Surat</td>
<td>491190</td>
<td>195</td>
<td>200</td>
</tr>
<tr>
<td>Vadodara</td>
<td>Vadodara</td>
<td>363886</td>
<td>145</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2513374</strong></td>
<td><strong>1000</strong></td>
<td><strong>1000</strong></td>
</tr>
</tbody>
</table>

Source: Census Survey of India – 2001 Published by Government of India

Note:

Formula:

* No. of Household of each city multiplied by sample size and divided by total number households of all the selected cities

** In this case for instance, proportionate sample for the City of Ahmedabad is arrived at by

\[
= \frac{(837223 \times 1000)}{2513374} = 333 \text{ approximated to } 300
\]

4.4.3 Instrument for data collection

The data were collected by way of personal discussions for designing the questionnaire which was conducted with the consumers / customers, retailers / showroom owners, sales persons, and subject experts. The main study was carried out through structured questionnaire.

Pre-testing of questionnaire

The work related to ‘Questionnaire’ was started during the first phase of research and the following steps were undertaken prior to ‘Pre / Pilot Testing’ of the questionnaire:
• Assessment of information required as per objectives of research.
• Measurement of reliability with respect to adoption of a structured questionnaire including questions like multiple choice, dichotomous, and use of scale.
• Predicting the biasness of respondents' on the basis use of some word / language, order of question, etc.

**Phase-I** of the questionnaire design began with Pre-testing / Pilot Testing of the questionnaire. Pre-testing refers to the testing of questionnaire on a small sample of respondents in order to identify and eliminate potential problems. All aspects of the questionnaire was been tested, including question content, wording, sequence, form and layout, question difficulty, and instruction. Personal interview of few respondents and extensive literature review had been carried out to prepare the preliminary questionnaire. Subject experts have been approach with this preliminary draft of questionnaire to ensure that the questions were properly phrased and logically sequenced. During **Phase-II** of the instrument design, the questionnaire was sent to 30 respondents on the basis of convenient sampling. These respondents were drawn from selected cities of Gujarat State. After studying their written response, some variables were modified. Finally, the responses obtained from the pretest were coded and analyzed. The analysis of pretest responses served as a check on the adequacy of the data for problem identification and highlighted necessary information required for data analysis. The pilot survey enabled the researcher to modify and add, and/or eliminate a few variables, and final questionnaire was designed. The said exercise was carried out in order to understand the minds of consumer vis-à-vis the nature of the study in general and questionnaire in particular.

**Questionnaire Description** *(For Detail Questionnaire, Pl. Refer to Annexure – 3)*
The study was based on primary data, derived through a descriptive method using a pre-tested structured instrument. In order to study the effect of promotions on brand, the researcher has used seven products under white goods as objects. The rationale was (1) consumer familiarity, (2) relatively expensive (some) to elicit more rationale and considered (high involvement) purchase behaviour and (3) higher importance to brand and product features as the product (some) is perceived to be “technical” products.
**The instrument consisted of two sections.** The *first section* of the study instrument (Section - I - Product Information), common to all products, consisted of questions pertaining to ownership of selected white goods, if any, and as to which brand that they currently own, which products do they considered as necessity or luxury, answers to products that they have purchased during last five years, sources of information that they have consulted before purchasing they preferred product / brand, what are their perceptions about brands under each product category, their sources of information, factors influencing their purchase or attribute or elements that they look for while buying the white goods (*Questionnaire Statements Reliability – Cronbach’s Alpha .921 for 17 Items*), their preferred brand, their purchase intention vis-à-vis brand loyalty, opinion as to effect of sales promotion tools, and opinions as to factors that motivate them for a brand change (*Questionnaire Statements Reliability – Cronbach’s Alpha .835 for 7 Items*). The *second section* of the questionnaire consisted of demographic information about the householder under study. The questions that were part of this section were name (optional), gender, age group, education, income, and occupation they belong to, what is their annual income, number of members in the family, number of earning members in the family, ownership of other assets like house, vehicle, etc, whether loan has been availed for any of such assets, ownership of credit card, and their general expenses to approximate their monthly spending. (*For Reliability Statistics, Pl. Refer to Annexure – 4*)

**4.4.4 Method of data collection**

There are several methods of collecting primary data. In descriptive researches, collection of primary information is generally done through survey which can be further classified into (i) Observation method, (ii) Interview method, (iii) Questionnaire method, (iv) Schedules method and (v) Some other methods. The use of above classification depends on the type and objectives of the research.

The present research is based on a structured questionnaire where different types of questions like dichotomous, multiple-choice, and mutually exclusive have been used. It is also most preferred method for generating large scale responses. Further, the structured questionnaire includes Likert Scale in which the respondents were asked to indicate their degree of
agreement or disagreement with each of a series of statements about perception and preference of brands across product categories, their opinion about advertising and sales promotion offers like discounts etc. and post purchase chances of brand switching.

4.5 Field work
Fieldwork is the forth step in marketing research process. During this phase the field investigators make contact with respondents and administer the questionnaire. In order to collect the data systematically, the researcher has used services of well educated field investigator with marketing management background and who were trained with the specificity of the questionnaire and finally assigned the job of data collection. They have been given complete prior training, required explanation and understanding of each and every aspect of questions. Constant supervision and follow up have been done to collect the data correctly and within specified time limit. Data have been collected simultaneously from all the ten cities of Gujarat state during the months of May, June and July 2008.

Incentive
In order to avoid errors like respondents’ refusal to cooperate, biasness and interviewer’s initial start-up problems during field work, the researcher has offered a gift to the interviewee or respondent. This was also found to be the best option as it adhered to the standard research guidelines which delineate use of incentive as a tool to motivate the respondents’ to fill up the questionnaire or part with the correct and factual information required for the research work. Further, by offering incentive, in this case a ball point pen, the researcher aims to express his sincere gratitude to the respondents for parting with the information.

4.6 Data Preparation and Analysis
Under data preparation tasks like editing, coding, transcription, and verification of were performed. At the end of each day, responses that have been received through questionnaire were entered in the computer after fair editing. The information, which has been missed and doubtful, was reconfirmed, and qualitative points mentioned by the interviewee were pen down in the hard copy of the questionnaire to be used for interpretation at the later stage. The
questionnaire with less than half response had been rejected and not considered for analysis. Entries in the computer were done by following “Questionnaire Coding Scheme” where codes were assigned to each response. A data sheet has been prepared containing all the variables and responses for each question in a code form with the help of MS-Excel.

Analysis of data is the process by which data is converted into useful information. Raw data as collected from questionnaires cannot be used unless it is processed in some way to make it amenable to drawing conclusions. There are number of different data analysis techniques that are available for analysis. It can be classified into (i) Univariate - involving single variable at a time (ii) Bivariate - involving two variables at a time and (iii) Multivariate - involving three or more variable simultaneously.

Decisions about technique(s) to be used were made on the basis of (a) characteristics of the research design (b) objectives of the study and (c) the scales and other characteristics of data. The various data analysis techniques used for the overall analysis are given as given below:

For the purpose of advanced statistical analysis, SPSS (Software Version 16.0) was used.

- Frequency Distribution and percentile
- Mean and mean based ranking
- Cross-tabulation
- Chi-square test
- One Way ANOVA - multiple comparison tests (Least Significance Difference test)
- Factor Analysis

Note: All these techniques are discussed in detail in the Chapter -6.

4.7 Report Preparation and Presentation

Finally, the entire study was documented in a written report that spreads in nine chapters introducing various concepts related to marketing management, consumer behavior in general and focuses on marketing power tools that sway consumer behavior. It includes overview of consumer durable / white goods industry and swiftly turns to core aspects of the study, research methodology, analysis and interpretation of the data followed by results and findings and finally brings out conclusions and managerial implications.
4.8 Summary

In order to study the consumers' buying behavior in terms of customers perception, preference, and their opinions descriptive research design was used. In all thousand respondents consisting of existing as well as potential customers were selected for survey from ten cities of Gujarat state through cluster sampling. Relevant literatures were thoroughly reviewed to frame research objectives and hypothesis. The data collected through structured questionnaire was analyzed with help of some primary and advance statistical tools and techniques. Finally definitions of some important terms used in study are given in this chapter.
4.9 References

2 ibid.
17 Chernev, A. (2003). When more is less and less is more: The role of ideal point availability and assortment in consumer choice. Journal of Consumer Research, 30 (2), 170-183.


61 Herzberg, F., Mausner, B. and Smyderman, B. (1959), The motivation to work, New York: Willey.


ibid, 334.
