Chapter-2

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Kartona et al. (1956) made intensive study on the purchase of consumer durables at the survey centre of the University of Olichigan in 1953. The study concluded that there were great differences among buyers and that many purchases were made in a state of ignorance or at least indifference. The consumer durable studied were T.V sets, refrigerator, washing machine, etc. The study concluded that less than one fourth of the purchasers of consumer durables were rated as careful buyers. These people planned their purchases, sought information and considered alternatives.

Chow, G. (1957) studied the tests of dynamic saturation hypothesis for the United States automobile market in the twenties should be based on a specified automobile demand model, which requires some serious consideration of the functional form of the demand function. The reported saturation estimate indicates that the automobile market was saturated in 1929. The estimates suggest the need for more detailed evaluation of the over-investment thesis for the late twenties, not only for the automobile industry, but for other major industry as well. An evaluation of the definition of dynamic saturation should also be studied in more details.
Chow, G. (1957) Aggregate expenditure on durables responds only slowly to wealth and other aggregate innovations. In this paper, the author develops new results on the problem of dynamic aggregation of stochastically heterogeneous units, which help to characterize the connection between microeconomic intermittent behavior and aggregate dynamics. Using these results and splitting postwar U.S aggregate durable purchases into different subcategories and time periods, the author provides further support for the view that lumpy microeconomic purchases play an important role in explaining the time-series behavior of aggregate expenditure on durable goods.

Prince et al. (1980) conducted a study on the consumer preference for quality attributes of rose, using the conjoint analysis. Price, variety and the bloom stage of rose were the major attributes that influenced the purchase decision.

Dhuna (1984) studied the consumer preference for soft drinks, and segmented the soft drinks market based on gender and income. The results of the study revealed that 98 percent of the female respondents and all the male respondents were aware of the brand name. Male respondents preferred carbonated drinks, whereas female respondents preferred fruity flavored drinks. High-income groups consumed soft drinks more frequently when compared to low income groups.
Stock, James H. (1985) studied the common objective in econometric analysis of hedonic markets is to obtain estimates of parameters describing consumer preferences for one or more of the attributes which constitute the traded good. However, because the marginal price of each attribute is never observed and because both the attribute levels and their marginal prices are choice variables (since the budget set is nonlinear), a satisfactory technique to obtain this objective has remained elusive. In this paper, a new first step, non-parametric kernel regression is used preference parameters. In the first step, non-parametric kernel regression is used to estimate the marginal prices for observed attributes; in the second, nonlinear two-stage least squares is used to estimate the preference parameters. The resultant estimator is shown to be consistent parameters. The resultant estimator is shown to be consistent and asymptotically normal (converging at the rate root-n) with an estimable covariance matrix.

Gluckman (1986) studied the quality preferences for wine. The attributes were classified into two namely, (i) Explicit factors and (ii) Implicit factors. Explicit factors brand name, price quality (mouth feel of the liquid) and taste. Implicit factors identified through extensive questioning were colour and appearance. The results of the study revealed that most consumers preferred white wine to red. Packaging, appearance, colour and graphics were the attributes considered very important by the consumers.
Haripuram et al. (1986) conducted a consumer preference analysis of biscuits, using a sample of 470 consumers. From the study it was found that consumers gave the first preference to taste. Freshness, crispness, brand, price and availability, in that order, were the other attributes given importance to, by the biscuit consumers.

Shafer and Kelly (1986) conducted a market survey to identify the consumer preferences for quality attributes while buying potted chrysanthemums. Price, longevity and cultivar were the quality attributes short-listed for the survey. The survey results revealed that longevity scored over price in influencing the consumer’s decision on buying chrysanthemums. Cultivar was identified as the most important quality attribute of chrysanthemums.

Kumar et al. (1987) studied the factors influencing the consumption of various food products, using a sample of two hundred respondents. Country of origin and brand were cross-tabulated against age, gender and income. Results of the study reveal that brand image was the most important factor that influenced their consumption. The consumers considered country of origin less important.

Dubin, Robin (1988) explains the spatial autocorrelation occurs when population members are related through their geographic location. This paper presents a maximum likelihood procedure for simultaneously estimating the parameters of the correlation function and the regression coefficients. A test for
the presence of spatial autocorrelation is also provided. Estimation of an hedonic regression illustrates the technique.

Ott (1989) conducted a survey of over 300 super market shoppers in South Atlanta, regarding (i) the sacrifices in price or quality, consumers were willing to accept to obtain pesticide residue-free fresh produce (ii) whether this consumer interest in pesticide residue-free fresh produce represents a direct marketing opportunity for small-scale growers. Half of the shoppers surveyed expressed concern about pesticide use and were willing to pay more for pesticide-residue-free fresh produce. Logit analysis was employed for the study.

Consumer surveys in USA revealed that Americans wanted improvement in the safety foods they consumed and were willing to pay more for it. Consumer surveys conducted by the Food Marketing Institute in USA since 1983 indicated that a majority of consumers expressed a high degree of confidence in the foods they bought. More than 73 per cent consistently expressed apprehension about pesticide residues (Smallwood, 1989).

Slottje, Daniel J. et al. (1991) constructs a measure of well being that combine’s physical quality of life and economic liberty indexes for 122 countries for 1980. Constructs some aggregate indexes of the quality of life, demonstrating how relative rankings of well being will vary depending on the aggregation method and weights. He analyzes twenty indicators of quality of life to capture a
multidimensional view of the physical quality of life; uses kernel density estimates and cluster analysis to examine the distribution of the individual quality of life indicators across countries and to determine which are most similar in their cross country distributions. Constructs a number of summary indexes of economic liberty based on principal component and hedonic weighting techniques. It combines the quality of life indexes with the economic liberty indexes in an overall measure of well being. Coauthors are Gerald W. Scully, Joseph G. Hirschberg, and Kathy J. Hayes. Slottje is Professor of Economics at Southern Methodist University. No index.

Kim, Sunwoong (1992) Studied the conventional model of the housing market does not take into account the search for a suitable housing unit. Based on a dynamic search theory, this paper develops and estimates a truncated regression model of the rental housing market with stochastic and unobserved truncation points. The author’s model provides a joint estimation of the hedonic price and the reservation debt equations. The results turn out to be superior to the ordinary least squares estimates of either the traditional housing demand function or the hedonic price equation.

Yadav (1992) study explained consumer behavior from more than one angle, covering the various aspects of human personality. He analyzed the importance of consumer behavior and factors affecting it. He identified that consumer’s motives, attitudes, beliefs, interest, values, personality, self-image and
other psychological variables were important. He opined that the real challenge to market was ascertained the comparative influence of different variables, on the consumer; and to apply the same through proper marketing mix.

Anderson and Bettencourt (1993) conducted a study on segmentation of consumers based on socio-economic and demographic variables. Significant differences existed in expenditure on food between the segments that were formed.

Duparcq and Patrick (1993) study revealed that the role of price in a consumer decision to buy durables was complex. The another maintained that different price construct and relating observed prices to internal value scale of consumers were necessary components of the observed market price a multidimensional concept, it was not known in advance for a long time.

Hoffman et al. (1995) have identified six functional categories of commercial activity by using online facilities. These included online storefronts (sites offering direct sales), web presence sites (sites offering a virtual presence for a firm) content sites (sites with fee based or sponsored information), malls (a collection of online storefronts), incentive sites (a unique form of advertising t pull customers) and search agents (sites used to identify other sites by keyword search).

Krause et al. (1995) segmented the market for value-added agricultural products. Cluster analysis was used to identify homogenous segments of
consumers. Two types of segments were identified viz., (1) segment with the highest growth potential in the near future for value-added agricultural products, and (2) segment having less potential in the near future but having long-term prospects.

Smith and Ozanne (1995) his study pertains reference to the importance placed by consumers on the environmental aspect of the use of wood, the results were presented of a survey in the USA on aspects of their choice in purchasing wooden furniture.

Wandel (1995) noted in a study that health-conscious people consumed more fruits and vegetables, while those who preferred fast food consumed fewer vegetables. Multivariate analysis was employed to identify factors influencing the consumption of vegetables and fruits a month the consumers in Norway.

Boulding et al. (1996) explains the simple economic model to assess consumer's valuation of safety features. In particular, we model the benefit from safety as the reduction in the probability of death and the associated economic value of this reduction. We then apply this theoretical model to investigate market valuation of antilock brakes and airbags via the specification and estimation of a hedonic price equation. Results indicate that consumers behave in a manner consistent with the economic model we develop.
Ch. Jayashree (1997) had made a study of the behavior of urban working women consumers. The study had analysed the cognitive aspect i.e. the awareness levels and behavior aspects of the urban working women. The author had selected six consumer durables and non-durables, viz., washing machine, toothpaste, bath soaps, shampoos, malted foods etc. The study aimed at presenting a summarized version on the theory of consumer behavior and investigated the socio-economic profile of the urban working women. Factors influencing buying decisions were and awareness regarding the brand and loyalty commanded by a given brand were also observed.

Sharma (1997) conducted a study to determine the factors influencing food consumption in general. The results indicated that price was an important factor which influenced the consumer's choice of food items. Other factors like sensory attributes, regional preferences, age, gender, motivation, discrimination and income also influenced food consumption.

Tiwari, Piyush et al. (1997) estimates the demand function of housing for Bombay Metropolitan Region in a two step econometric analysis. The first step estimates the hedonic price index for different regions in Bombay, and in the second step the demand for housing is estimated as a function of econometric and household characteristics. The results indicate that housing demand is inelastic with respect to income and price. The income elasticities for owners and tenants are around 0.33 and 0.38, respectively, while the price elasticities are 0.21 and
0.75, respectively, for owners and tenants. We also estimate income and price elasticities for different income classes. The paper concludes with policy prescriptions.

Amitha (1998) studied the factors influencing the consumption of selected dairy products in Bangalore city. The results of the study revealed that income and price were the factors that significantly influenced the consumption of table butter. Price had a negative impact and income a positive impact, on consumption. The consumption of ghee was positively influenced by income, price and family size. Cheese, just as in the case of table butter, was influenced by price in income.

Chung et al. (1998) study revealed the factors influencing the furniture retailers purchasing in Taiwan. Important factors of the furniture producers, those producers in choosing distribution channels were production capacity, salesmanship, type and grade of the products, transportation and storage. Many distribution channels were available to the producers. The retailers were under pressure to reconsider their management style and marketing strategy in order to obtain more profit. The most important business concerns to the retailers were the product quality and the number of locations selling the same furniture. The salesmen in the furniture business agreed that education and training were very important, with 96.70% of the retailers believing that service was the most important requirement for salesmen. The factors influencing the retailer's decision to purchase furniture were product quality (100%), style of finishing (100%),
special functions (90%), assembly functions (90%), cheap price (90%), and the reputation of suppliers (90%).

Cheshire et al. (1998) provides estimates of the structure of demand for individual housing and neighborhood characteristics and for land in two British cities. The authors estimate a hedonic price function, and from this obtain the implicit prices of house attributes. These perform well, and enable them to calculate price and income elasticities for each of the non-dichotomous characteristics and for land. To counteract criticisms of demand estimates derived within the hedonic framework a method is developed for selecting an appropriate set of instrumental variables. Estimates derived from this method, however, differ only slightly from those obtained using the conventional techniques. Several features of these estimates provide insights into the unusual characteristics of the British housing market, the effects of constraints imposed by land use planning, and the effects of changing income distribution on the structure of demand.

Spiller and Lohse (1998) proposed refining classifications by concentrating on an empirically based classification system of retail online stores. By analyzing 137 web stores selling women retail apparels, authors defined a set of variables that described and differentiated online stores. Spiller and Lohse used factor analysis followed by cluster analysis to classify and group the surveyed online stores. Based on their analysis the authors defined five store categories: superstores, promotional stores, plain sales stores, and one-page sales stores and
product listings. The classifications were made primarily on catalogue size, product range, additional information provided and page organization.

Orth (1999) study of a consumer survey was conducted in a German city of 40,000 inhabitants to assess the competition at the local market for floricultural products and services. 294 out of 300 distributed questionnaires could be utilized. The consumer barometer provided information on consumer shopping behavior and on market shares of various competitors (retail institutions like garden centres, retailing growers, retail floral shops, etc.). Additional findings extend on individual strengths and weakness of relevant retailers, structured by product groups and performance features indicating their current position in the competition. For one selected garden market an adequate marketing strategy had been developed to increase its competitiveness and to ensure future existence of the company. The paper concluded with considerations on an application of the method for evaluating marketing measures and to develop a marketing controlling system.

Zabel, J. E. and K. A. Kiel (2000) Studied the analysis of the demand for air quality in four MSAs in the United States is presented using the American Housing Survey data from 1974-1991, the Decennial U.S Census, and the EPA Aerometric Information Retrieval System. The marginal prices of air quality are obtained from parameter estimates for the pollution variables in a hedonic house price model and the marginal willingness to pay (inverse demand) equations for
air quality are estimated using these prices. In two of the four (inverse) demands for air quality equations, the own-good coefficient is negative and significant, while the income coefficient is positive and significant.

Na Li and Ping Zhang (2002) highlighted ten factors and the diverse measures used by different studies indicate that online shopping is a multidimensional and multidisciplinary phenomenon. Their examination shows that different studies have different ways of operationalizing seemingly the same constructs. This methodological issue needs to be addressed in future research so that a validated instrument can be developed for measuring consumer online shopping attitudes and behavior. This lack of a common theoretical framework suggests the need to develop an integrative model of the phenomenon in order to promote systematic investigation of its components and the online shopping process.

Kuldeep Singh (2003) conducted study with two fold objectives of determining individual purchasing behaviour of toilet soap and what company should do to enhance their sales of toilet soaps and at the same time keep satisfying the consumers. Various ingredients of consumer behaviour like motivation, learning, perception, personality, social and psychological factors had been analysed in depth. Changing pattern of demand and supply and also the reasons for stagnation of toilet soap market were analysed.
Levin et al. (2003) found that computer preferences for online and offline services differ for different products at different stages of the shopping experience. These differences were accounted for by a model that weights the importance of different attributes for different products and assigns different values to these attributes depending on whether they are better served online or offline. For example, for products like clothing consumers place great value on the ability to touch and inspect the product and thus they prefer offline, bricks-and-mortar services at each stage of the shopping experience. By contrast, for products like computer software consumers place great value on the rapid dissemination of large amounts for information through internet search delivery and no hassle exchange which leads them to make their final purchases offline.

Shivakumar (2004) they studied that the buying behaviour of consumers towards the product produced by SSI-Unit. The changing socio-cultural and economic orders had transferred people into sophisticated consumers, the thought of consumer undergone sea change. Many of Indian households were buying a number of forest durables like wooden furniture, cane furniture and handicrafts etc.

Shivakumar and Giram (2004) in this paper states consumption of various products was an integral part of human life. Hence everybody was engaged in buying different types of goods. Consumer tried to obtain maximum satisfaction from the goods purchased. It required the study of consumer behavior. Now it was
upto industrial unit to fix the marketing strategy so as to attract the consumer towards its products. Consumers were influenced by the factors like price of goods, quality, brand name, advertisement, consumer income, discount and free gifts etc.

Toe et al. (2004) showed that behavioral uncertainty and asset specificity are positively related to transaction cost whilst convenience and economic utility are negative related to transaction cost among US consumers and those in China. Dependability is negatively related to transaction cost among US consumers but not consumers in China. Transaction cost is positively related to willingness to buy online among US consumers and those in China. US consumers perceive less product uncertainty, behavioral uncertainty, asset specificity, dependability, as well as more convenience and economic utility than consumers in China.

Hakim (2005), in his study, ‘Growing Issues of consumerism’ found out the post-liberalized scenario in India has witnessed a transformation of market place due to fast changing technological developments, entry of multinational companies and competitive marketing environment. This has however not eliminated the fraudulent practices and the exploitative character of business as the consumer in India is still unorganized to fight for his rights. The paper examines this exploitative character of business in the light of various research studies conducted in the Indian context. The growing issues that have been highlighted are
variations in consumerism, the consumer protection issues, consumer education and information and the business response to consumerisms.

Craig (2005) prior studies have shown that consumers often misjudge their health risks owing to a number of well-documented cognitive biases. These studies assume that consumers have (or should have) trust in the expert systems that culturally define safe and risky behaviors. Consequently, this research stream does not address choice situations where consumers have reflexive doubts toward prevailing expert risk assessments and gravitate toward alternative models of risk reduction. This study explores how different health risk perceptions are culturally constructed in the natural childbirth community, internalized by consumers as a compelling structure of feeling, and enacted through choices that intentionally run counter to orthodox medical risk-management norms.

Al-Wugayan and Rao (2006) have studied the present industry measures and were partially successful in reducing consumer theft and other forms of consumer's abuses. Psychological deterrence mechanisms aimed at reducing the motivation to engage in unethical behaviors were, inexplicably, not adequately researched and hence, not employed. We believe that perhaps one possible explanation for such tendency among researchers to overlook more explanatory variables (e.g., intrinsic traits, psycho-social variables) is grounded in the general belief that instant monetary/utility gratifications resulting from customer unethical practices is the primary motivation for engaging in such practices.
Chernev (2006) examine the role of decision focus as a factor moderating consumer choice among assortments. Building on the view of assortment choice as a hierarchical decision process in which consumers first select an assortment and then choose an option from the selected assortment, it was argued that consumers who focus only on the first stage of this process (selecting an assortment) are more likely to display a preference for the decision flexibility offered by larger assortments. In contrast, consumers who focus on the second stage of the choice process (choosing a product from the readily selected assortment) are more likely to display a preference for the decision simplicity often afforded by smaller assortments.

Gregory chow (2006) – this study offers an explanation of the quantitative changes in education spending by the framework of demand analysis, including the changes in the ratio of educational funding to GDP in the period 1991-2002. Income effect is estimated mainly by using cross-provincial data, while time series data are used to estimate the price effect. Changes in government and non-government spending through time can be satisfactorily explained by the income and price effects. Demand for education services in the three levels of primary school, secondary school and higher education and aggregate demand for all education services are investigated. Relation between income inequality and inequality in education opportunities is briefly discussed. Ten important findings are stated.
T. Vanniarajan (2006) – The study was conducted in rural and urban areas around Madurai City in Tamil Nadu. The study concluded that the impulse buying behavior is significantly influenced by individualism among the young consumers especially belonging to higher income groups. The economic transition in India has significantly influenced consumer’s values, attitudes and behaviors. The findings reveal that despite cultural differences when transitional economics achieve a certain level of development, consumers from transitional economics such as India might have some tendencies and behaviors similar to those of consumers in more advanced economics, at least with respect to impulse buying. Because of globalization, the regional, gender and income differences are declining especially among the youngsters while the individualism is in up-trend. This is the right time to the marketers, to redesign their marketing strategy, to gain among the innovative and impulse behavioral consumers will be dominant in near future.