CHAPTER-1
INTRODUCTION

It is an undisputed fact that the economy and business have undergone a tremendous upheaval during the last decade spurred by technology and shifts in outlook from regional to global. Globalization and liberalization have ensued transition from a period of protectionism to a period of globally opened economy with substantial economic interdependence among countries. This has paved the way for hyper competition in the global market. This is also an age that has witnessed the beginning of a veritable consumption explosion, not only in developed countries, but in developing countries too.

The Indian consumer goods market which is passing through a period of transition has set in a new challenge for the consumers. Government policy changes, as well as technological developments which are taking place at an unprecedented speed have given rise to a complex set of events in the marketplace. Three noteworthy developments that have become the hallmark of this age are:

1. A change in the set of feasible alternatives due to unprecedented growth in the number and variety of consumption goods.

2. Faster product diffusion taking place as a consequence of many factors, most important of which is domestic and international demonstration effect, thoroughly assisted by changes in cultural and infrastructural inputs.

3. Undue involvement of producers in competitive information dissemination through persuasive marketing strategies and their increased seepage due to deeper media penetration to cover all classes of people.
Technology has enabled an ever increasing variety and sophistication in consumer products. Constant innovations have revolutionized the consumer goods market with reduction in the duration of typical product cycles. Technological as well as psychological obsolescence give rise to more, new and better product lines. The character and complexity of products have undergone substantial changes. A prospective consumer faces an array of thinly differentiated alternatives making heavy demands on the cognitive skills required for differentiating one alternative from another.

Faster product diffusion is taking place as a result of many fundamental changes occurring in the present consumption system. Indian consumption is predicted to double by the year 2008 with favourable demographics, rising income, easy access to credit and a change in attitudes of people towards consumption and composition of consumption basket (DSP Merrill Lynch, 2003). Even though our consumption levels are at present not comparable with the extravagant consumption levels of the west, an underlying pattern of change can be identified in the way consumption is perceived. There are visible structural changes in income distribution, occupational distribution and in the nature of product ownership (NCAER, 2002). The concept of comfort has undergone metamorphic changes, especially so in a state like Kerala. Categories of goods which were once considered as luxuries have slowly graduated into comforts and even necessities.

This change can well be explained by an evolving set of social and psychological variables giving rise to a social climate and cultural values which promote consumerism, higher levels of aspired standard of living and multiplication of possessions for material comforts. Possessions signify a way of living, and have connotations of status enhancing and retaining properties (Sooryamoorthy, 1997). Innovative consumption - not necessarily conspicuous -which has become the order of the day, can be assigned more to an articulated socio - cultural order weighing heavily in favour of an orientation
towards a ‘more’ mindset. This tempo of transition is not expected to come to a halt, and can well be expected to repeat itself with greater force. This would most likely lead to an ever increasing growth in the number and variety of goods and associated services.

Hire purchase, credit purchase and plastic payment mechanisms have reduced, at least psychologically, the contemplated costs of a purchase decision in the form of strain it can impose on family finances. Consumption credit at reduced interest costs facilitated by the higher liquidity enjoyed by the financial institutions, has become an important variable in decision making regarding the time of purchase (Majumdar, 2002). In short, buyers end up buying more than what their finances and needs warrant.

The diffusion process referred to above is generally not constrained by supply bottlenecks as was the case years before liberalization. The presence of multinational companies throw up the threat of a possible glut for any particular brand which is not able to lay firm foot in a potentially demand constrained system in which the potential output in any period always exceeds the level of demand at that output (Patnaik, 1999).

The burden of providing information is taken up by the sellers for obvious reasons. Many companies have succeeded in generating and sustaining brand loyalty through various innovative means. Brand building exercises with advertising and other non-price competition efforts are typical of modern corporate sector. Non-price competition creates myopia, increases confusion, intensifies ignorance and makes conscious decision making difficult. It can result in competition breaches resulting in high psychological costs of searching, obtaining and processing information. Extent of market power, market rivalry and even market growth can put the consumer in a difficult situation.
Overt differentiations as well as spurious differentiation, which are sustained through effective entry barriers lend market power to producers. The speed of technology transfer has meant that less time is available to capitalize on competitive advantage through technological change. The brand takes over technology as a source of differentiation. Sound reputation of the brand is very much a function of the quantity of advertisements rather than of efficiency (Needle, 2000). Inefficient brands are not very often driven out by the free market mechanism ensued, as the buyers exhibit certain inbuilt potential to tolerate without complaining. Some brands have enlarged presence either due to goodwill accumulated as a consequence of long stay in the market or due to the solid backing of mighty multinational companies. This sometimes makes buyers oblivious of the presence of ‘worth­considering’ other brands. Only a part of the market is visible for the buyer and this reduces the number of alternatives that may be considered at any time.

In sharp contrast with developed countries, where the evolution of consumption has been a natural outgrowth of industrialization and economic growth, the consumption process that is witnessed in developing countries is not growth derived. Jeffrey James draws a clear distinction between the target populations of developed and developing countries, as well as between the consumption systems, which he defines as the related package of characteristics such as income, location, consumer skills, infrastructure and so on in which the consumer finds himself. He contends that many products are initially designed in congruence with the consumption systems of advanced countries and that the information database or the support systems necessary for dissemination of information in developing countries have not grown simultaneously. Adjustment and adaptation to this changing environment of imbalances is expected to take place automatically (Jeffrey, 2000).
In more ways than one, the post-globalized generation of consumers can well be defined as “Cohorts” (Kotler, 2002) as far as consumption environment is concerned. He faces a configuration of market characterized by the following asymmetries:

1. Growth in quantity and variety of goods and services not accompanied by a commensurate growth in reliable neutral information which must be a natural corollary.

2. Information asymmetry between buyers and sellers (Akerlof, 1970). There is also another dimension of information asymmetry. Not only is the market for information an immature one, but a distorted one as well. Marketing, as it stands today is a form of distorted communication because marketers control the information that is exchanged. They organize the code and consumers have no choice but to participate (Holt, 2002).

3. What the buyers know and what they ought to know, partly accounted for by the intractability of the market and partly by the buyers’ self-inflicted modesty in search, acquisition and use of information.

4. Imbalances in the power structure. There are asymmetric power relations in attempts at altering the decision environment in one’s favour. Actions of buyers and sellers have disproportionate effect on the market environment because of the relative powers enjoyed by firms on account of organizational, structural, functional and other reasons (Porter, 1985).

5. Asymmetric bargaining. A buyer with modest information is disadvantageously placed as far as his ability to bargain in the market is concerned. Due to absence of networks or structures for decision competence, consumers are in a poor bargaining position.

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1 Cohorts are groups of people who share experiences of major external events that have deeply affected their attitudes and preferences.
The above discussed changes are visible and true in the case of market for consumer goods and services of all types.

A look at the consumer market of pre-globalization era is worth undertaking here. It was mainly a sellers’ market offering limited choices. Existing stable standards, limited number of alternatives, utilitarian nature of demand, insignificant presence of global players and brands, relatively less false distinctions and the lack of universal usage of many kinds of goods on account of confinement of usage to affordable classes made the problem of choice task a simple one. Need for awareness regarding missed opportunities and alternatives was less. The opportunity cost of choosing a particular alternative was comparatively lower and therefore buyer information problem did not pose as gigantic a problem as it has emerged in recent years.

1.1. Importance of Buyer Information

Consumer behaviour is central to determining the characteristics of an economy and society. Consumer choice, channeled back, dictates production. Consumers’ role in a well functioning market is to identify and reward good performance on the part of sellers. Efficient consumer choice acts as a catalyst of competition and efficiency in a well functioning market.

Consumers’ sovereignty is to be understood as the ability of the consumer to influence the nature and composition of the choice set itself and not as the freedom to exercise choice from a given set of alternatives presented to him (Scitovsky, 1976). The cornerstone of the market driven economy is the right of any consumer to make an informed and unrestricted choice from an array of alternatives (Blackwell, Miniard and Engel, 2002). To perform this, the consumer needs to know what products, brands, sellers exist and where they are available, what the desirable characteristics of a product are and the extent to which particular product - brand - seller combinations posses the desired characteristics (Maynes, 1973). The sophistication that can be
achieved in buyers' choice decisions is determined to a great extent by the quality of the information environment in which he makes the decision. A friendly and efficient information environment is a necessary, though not sufficient, condition for informed choices.

Just as any other market for goods and services, we should expect the forces of demand and supply in the market to wipe out any asymmetry detected and that there will, at any time, be an ideal market for information as well. But the truth is very often different. The very nature of the market for information throw up a threat to its efficient functioning as one cannot expect altruism in information provision when it is done by sellers who must axiomatically be assumed to have self interest.

There are two types of circularities involved which are worth discussing. The first one is a 'vicious' circularity which is caused on account of expectation feedbacks getting conditioned by extraneous factors. In a market configuration where information dissemination is competitively done as a top to down process, filling the need for information would culminate in processes which are comparable to persuading, controlling and dominating. Some amount of myopia is generated in the sense that expectations of the information receivers are conditioned in favour of the informants, so that no or insignificant discontent feedbacks are generated.

The second type of circularity is a 'virtuous' one as far as consequences are concerned. Here the expectation feedbacks are creative. Scitovsky argues that the thoroughness of the pre-purchase search process undertaken by the consumers and the extent of evaluation of information done by them will have a positive effect on the nature of the characteristics which the producers decide to embody in the goods they sell. The lesser the process of acquisition of objective information, the greater the opportunity for minor product
differentiation. This makes acquisition of information and efficiency of consumption more difficult. Porter (1985) also maintains that the type of changes introduced over time in product characteristics depend on the nature of the search process engaged in by the consumer. Where this is thorough, he argues, the changes in characteristics in general tend to be substantial. Porter was underlining the need for such states.

The consumer who experiences 'isolation paradox' realizes the ineffectiveness of his actions in the market place to produce any direct or indirect impact and consequently economizes on the effort made for shopping. If all the shoppers follow the same course of action, the market will cease to be competitive (Scitovsky 1976 p.173).

Information provision tends to have two cumulative beneficial micro and macro effects by way of behaviour modification of the providers in the marketplace. Increased information allows some consumers to alter their choices which in turn act as signals to the sellers. Buyers also benefit by way of the macro level effects of reduced prices and the micro level effects of better consumer choice (Mazis, Staelin, Beals, and Salop, 1981). Bargaining leverage, which is the major determinant of buyer power, depends among other things on buyer information (Porter, 1985 p.6).

Information is a necessary though not sufficient input for recognizing and understanding the technological, functional and service related differences of goods. It is also essential for efficiently and objectively evaluating multiple alternatives in order to find out the extent to which there are real differences between them. The content, quality, source, source credibility and the ability of the buyer to use such information have implications on the choices arrived at by them. Success in a choice situation will be defined by an individual as his ability to discriminate effectively on the basis of the information that he has.
1.2. The Problem

Buyers are generally confronted with a three-fold problem. First is the difficulty caused by uncertainty in the case of certain elements of choice. Second, the lack of information to make reasoned choices and the third, indiscriminate misinformation.

The information environment of the Indian consumer goods market exhibits certain incongruities which are the natural outcome of the type of development pattern of the market itself. Large number of brands always jostling for consumer attention makes cut-throat competition inevitable. Creation of brand equity is often attempted by the use of extensive advertising promoting the brands' image. This, accompanied by a demand constrained market, forces the firms to indulge in frenetic promotional activities in order that they may be perceived as offering value for money. There is virtual absence of neutral sources of information. It is only a fact that the market is not successful in providing the right information in sufficient quantity and quality.

The problem is mystified due to the fact that it is asymptomatic in nature in the sense that an average buyer in the market place is unaware of the problem as he is ostensibly bombarded with information from all corners. Therefore no previous systematic effort has come up to solve it. The problem still persists and is likely to get compounded as the markets proliferate.

The 'incongruous marketplace' referred to above, yield scope for myopia given that the buyers have inherently limited processing and computational ability. In the highly ambiguous choice context, there is a manifest mismatch between the difficult task of integrating and using information and the necessary infrastructure to enable the effective performance of this task. On account of these intriguing marketplace complexities, efficiency of choice
based on intrinsic product qualities is nearly impracticable and highly demanding computationally.

If these incongruities in the market are objects of serious and meaningful appraisal by the buyers two possible responses should be anticipated. They are:

1. Scepticism in the efficiency of the market to provide reliable and usable information and therefore the demand for more information inputs manifest in 'constructive discontent' by way of consumer activism.

2. Triggering in of reflexive responses important for adaptation caused by one or more than one of the following reasons:
   1. The buyers' lack of realization of the incongruities.
   2. The incongruities not interpreted objectively by the buyers.
   3. The feeling on the part of the buyers that it is inconsequential to react and
   4. The naive indifference on the part of the buyers.

The evidence from the market place is consistent with the latter response. Therefore the market will elicit behavioural outcomes which are in harmony with such a response, throwing up significant issues pertaining to adaptation to resolve this mismatch.

Given the specific properties of information environment to which the buyers are habituated into, it is worth investigating as to how the buyers adapt to such a complex and dynamic environment. How do consumers resolve the problem of deficiency of appropriate information on the one hand and the problem of information deluge on the other? Little is known about the very many fascinating issues in information acquisition and decision making, as also the process by which the consumers adjust to such a complex and dynamic environment.
Three major postulates of the problem are:

a) The information environment and the buyer predisposition in such an environment.

b) The extent and method of search for information and use of information.

c) The choice of a specific alternative from among competing alternatives.

1.3. Objectives

Following are the objectives of the study.

1. To examine consumers' evaluation of the information environment.

2. To evaluate consumers' perceived self-confidence in information acquisition and brand choice.

3. To measure the extent of external search for information.

4. To appraise the different sources of information for the buyers and their relative importance.

5. To investigate into the perceived diagnosticity of signals which are not function-specific.

6. To identify and interpret factors that determine brand choice.

1.4. Need for and Relevance of the Study

Extant research and literature base on consumer behaviour is mainly western developed countries. They have a conceptual orientation in cognitive psychology. Their methodological preference is for experimental design. Consumer behaviour studies have been limited to advanced industrialized societies, where evolution of consumption has passed through many stages of transformation. Consumer movements in those countries have taken the initiative for educating the consumers to be more efficient in their consumption decision making. Encouragement to consumer behaviour research in those countries has helped in development of a branch of consumer research which has greater relevance to the market environment.
available in those countries. However, in a developing country like India, where consumption has bypassed many stages of evolution, generalizations taken from advanced countries cannot be applied. There is very little published research on buyer information. Buyer behaviour studies in India - specifically buyer information studies - are either scarce or are conducted mainly from the point of view of enhancing efficiency in marketing. Hence, there is a compelling need for development of literature on consumer behaviour in the market place.

The study is relevant in the wake of the new and shifting preferences of both domestic and multinational companies in the consumer durables, electronics and FMCG segments. As far as market expansion and investments are concerned, India is one of the preferred destinations to many multinationals. India offers a promising and booming market share, ensuring considerably rising revenue contributions and therefore attracts considerable investment from such companies (Richa Mishra & Jyothi Dutta, 2003). The study is relevant at this point of time when consumer demand is expected to grow at a faster rate and global firms have a tendency to invest more in production facilities in India.

1.5. The Choice of the Products for the Study

Goods vary substantially with respect to importance in the consumption basket and frequency of purchase. The buyer information problem does not become one of preoccupying interest in certain types and categories of goods. For example, in habitual and frequent purchases, a lot of learning takes place automatically and unknowingly making the buyer gain expertise. In the case of certain other goods, as in credence goods, the buyer is oblivious of the nature of purchase and consumption and also the extent of need for information. Since the nature and need for information differ across products and situations, no generalizations can be made which are applicable to all
situations and commodities. Therefore, in the present study information acquisition and choice making by buyers in a prototypical situation, that is the household consumer durable goods market is considered.

Consumer durables have certain specific characteristics that make them most appropriate to study from the context of information acquisition and brand choice. Unlike experience goods these consumer durables are comfort intensive, longer lasting utilitarian goods whose consumption is cognitively driven, instrumental and goal oriented and accomplish a functional or practical task (Strahilevitz and Myers, 1998). Therefore, it is most crucial that a buyer develops definite pre-consumption expectations regarding specific product features. These household consumer durables are inherently high involvement goods. Their purchase is infrequent and characterized by longer inter-purchase time and therefore the choice task is free from recentness effects. Collective use by multiple users within the household warrant a lot of prior thinking, pooling of opinion, deliberation and comprehensive pre-purchase search for information by more than one member in the household.

The markets for these goods are dynamic due to frequent changes in the composition of the basket of goods and in the means of differentiation. Intense competition - mainly due to similarity in product lines of different firms - within and across the geographical boundaries demands constant innovation. Novelty is most often ensured by superficial alteration of features which does not necessarily embody technical changes. This adds to the complexity of distinguishing between the alternatives. Buyers are less capable of personally evaluating durable products because the long life and varied conditions under which these products are used cloud post-purchase brand comparisons (Stern Louis, 1971).

Quality levels are generally set by manufacturers either by setting levels matching competition, or by benchmarking exercises using data drawn from
trade associations. Quality standards are not usually made mandatory. If at all they are, there is no mechanism by which a prospective buyer can check the conformity of a particular brand to such prescribed standards. The highly technical nature of the goods makes the problem worse, more so, due to the non-technical nature of majority of buyers. Left to market forces, inefficient brands become visible only after a considerable period has elapsed since its introduction and therefore if a transaction is unsatisfactory a buyer would have lost a sizeable amount of money.

The atmosphere of transaction in retail stores is also peculiar in that retail outlets sell nearly the same assortment of brands. A typical buyer may not have exposure to different sellers or have knowledge about the combinations of brands which those retailers sell. 'Trial and return if not satisfied' conditions of sale is not common in India. Above all, there is increasing participation in personnel provision on the shop counters by the producers as a method of popularization of products. The buyer, therefore, is exposed to information distortions even at the point of purchase.

Large scale information dissemination by formal or informal agencies does not prevail. Neutral agencies that provide information in a dispassionate manner and quality assurances through 'rating' are virtually absent. 'Caveat emptor' which is hardly practical and at the same time consumer hostile is still the dictum in the market.

Since these goods are consumed within the household, their visibility is only in the immediate neighbourhood and therefore product use information sharing is also in smaller circles. This rules out the possibility of consumer originated mechanisms to drive out inefficient brands. In brief, the nature of the durable consumer goods market is a mystery offering scope for a worthwhile inquiry.
1.6. Methodology

The study relates to buyer behaviour with respect to information acquisition and brand choice of the select consumer durables detailed later in this section. The study was conducted in two sequences:

A. The Qualitative Module

This module comprised of detailed review of extant literature on consumer information and brand choice as well as direct observation on the shop floors, discussions with actual and potential buyers, academicians in marketing, sociology and home economics and individuals who are associated with the marketing and sales of the chosen products. In the absence of sufficient reliable previous studies on the topic, these procedures helped in developing insights into the distinct information and choice problem confronted by the buyers and the buyers’ perceptions about the problem. This also facilitated generation of possible sets of issues for further enquiry as well as for developing items for the measurement scales and for the modification of scales adopted from previous studies.

B. The Quantitative Module

This module was accomplished in two tiers; the first tier consisted of a preliminary pilot survey of 40 respondents to ensure the feasibility of the interview schedule.

The second tier consisted of a survey of 301 respondents chosen (as detailed below) for collection of information. The conclusions arrived at in this study are based on the information collected in this step.

Five dimensions of the buyer information problem and a single dimension brand choice are chosen for the study. The five dimensions of the buyer information problem are:
1. Buyers' perceptions about the information environment.
2. Buyer confidence with respect to information search and choice.
3. The extent of search for information.
4. The sources of information for the buyer.
5. Diagnosticity of certain types of indicative information.

The single and most relevant dimension of brand choice that is considered in the study is the factors influencing choice of a particular brand from among competing brands.

1.7. Area of Study

The state of Kerala has certain unique features with respect to consumption which other states of the country do not share. As per the latest figures arrived at by the National Sample Survey Organization, Kerala topped in per capita consumer expenditure at Rs.9844/in 1999-2000, improving from the eighth position in 1972-73 and second position in 1993-94. Unofficial estimates also show that the people of Kerala, forming approximately 3.5 percent of the country's population, consume almost 10 percent of the consumer goods produced in the country. These features have made Kerala the target of marketing activities by all kinds and types of producers, both national and multinational. The information environment of the state and high literacy rates also offer extended opportunities for such a research problem.

The geographical area covered by the study is the district of Ernakulam in the state, which is referred to as the 'Industrial District of Kerala'. The choice of the district as the area of study is based on two principal considerations, namely

1. The district is unique with its highest total income among the 14 districts of Kerala, highest per capita income, highest per capita expenditure and highest levels of purchase and consumption of consumer durables of all types (Kerala Economic Review, 2003).
2. The district is also popular in as much as it is the test market for several consumer products over the years. It was therefore, felt that the district would be appropriate for a study on consumer behaviour.

1.8. The Sampling

The universe of the study consisted of all those who have purchased one or more than one of the six products chosen for the study during the period under study. While a random sample of buyers drawn from a universe of all purchasers would have been ideal, there was no method by which such a universe could be identified and listed. Therefore, in the absence of a complete sample frame and source list, a method of sampling was adopted whereby the samples chosen would be fairly representative of the universe.

The method consisted of two sequences.

First, a list of all such retail outlets in the study area which are selling domestic consumer durables were collected. To obtain samples representative of various geographical areas, the physical area proposed for the study was first divided into twelve spatial subdivisions or sample areas on the basis of revenue classifications by government of Kerala, resulting in a frame of areas consisting of twelve regional sub-divisions composed of eleven municipalities and one corporation. The municipalities and the single corporation only were considered as the shops selling the items under study are situated only in urban centres. The Corporation of Cochin was purposely included as a sample area as it consisted of the major chunk of the retail outlets and accounted for the majority of sales in the district. A purposive sample of eight retail outlets, which are expected to be covering a substantial portion of the sales, in the city was chosen. A deliberate sample of four franchise outlets of leading brands of consumer durables considered in the study was also chosen. The eleven municipalities of the district were divided into three sample areas consisting of five, four and three municipalities each.
Two municipalities each were chosen at random from the above three sample areas. One major retail outlet was selected purposively from each of these selected areas, to ensure sufficient samples from urban, rural and semi-urban areas.

In the second sequence, names of sample respondents were collected from the consumer care centers and from customer databases maintained by the retailers and from the bill books of the sellers pertaining to the period of the study. In order to ensure randomness, a systematic method of sampling was adopted whereby names of every tenth buyer were included in the sample. The roster of elements itself can reasonably be considered random for the purpose of the study, considering the basis on which the roster is maintained, and as such a systematic sample may also be considered random. No specific quota was fixed for each separate consumer durable comprising the items under study, as all the items were categorized as possessing common characteristics. Therefore a pluralistic approach to probability sampling is resorted to, which may be termed as a combination of area, stratified, systematic and purposive sampling. Considerable overlap in purchase was observed, as respondents from rural areas reported having bought the durable from a retail outlet in the city but not the other way round.

The samples were households who are buyers of such durables for end use. Both first time purchasers and repeat purchases for replacement were included in the sample. The former is referred to as ‘novices’ and the latter as ‘non-novices’. Considering the extent of transition that is taking place in the technology and promotional aspects of these consumer durables, the second time buyers are not referred to as experts as is done by Stafford (1989). Five sample respondents who reported re-purchase of the same brand were excluded from the study, as such purchases would be prompted by satisfaction with the brand and therefore their information has come from first-hand experience with the brand.
The sample size was 301. The size of the sample was set in such a way that it is large enough to permit valid analysis of sub-samples used in the breakdown of data to be made so that it is possible to get a satisfactory number in the smallest categories. The sample of 301 was split approximately equally for the six regions under study. 188 samples were chosen from the six sample areas and 133 samples were chosen from the Corporation of Cochin.

The products chosen are non-visible, multiple user household consumer durables which are either comfort intensive or entertainment oriented. The products that are included are consumer durables that satisfy the 'generic needs' of the consumers for household comfort, convenience and entertainment. The composition of such consumer durable goods chosen for the study include three high penetration categories of domestic consumer durables namely colour televisions, washing machines and refrigerators and three other popular household durables namely music systems, microwave ovens, and air conditioners. The set of consumer durables considered for the study are moderately priced consumer durables whose prices are above Rs.4,000/- to ensure deliberation as has been explained before in this study. The six product categories were not given equal representation in the sample as the proportion of buyers in each case was expected to be different. Usable prior knowledge gained through previous experience with the brand is precluded by not considering repurchase of the same brand. However the possibility of knowledge gained through previous association cannot be ruled out.

An interview schedule was used to collect data from the respondents. The interview schedule was administered in vernacular wherever felt necessary. The interview schedule is given as annexure I.

The schedule consisted of the following categories of questions
1. Rating on Likert scale.
2. Rank order.
3. Multiple choices.
4. Dichotomous.

Buyers were requested to consider only the purchase situation under reference in order to ensure that the responses did not reflect cumulative experiences of product choice in general.

1.9. The Period of Study

The study covered a period of eight months between October, 2002 and May 2,003. Extra ordinary time periods of promotion sales like festival seasons were excluded to moderate the effects of such marketing efforts.

The respondents were contacted as far as possible within twenty days from the purchase of the item to control the influence of decay in situational involvement levels.

Data collected during the above time interval were edited and coded. Data were analyzed using Statistical Package for Social Sciences (SPSS).

1.10. A Note on the Statistical Tools

a) Measurement Scales used

Four scales of Likert type are used in the study to measure the following constructs:

1) Buyers' perceptions about the intrinsic friendliness of the market for consumer durable goods chosen for the study.
2) Magnitude of reported consumer confidence with respect to information search and brand choice.
3) Extent of external search comprehensiveness.
4) Characteristics considered for making choice of the brand from among the alternatives.
The scales (2) and (3) mentioned above are adopted from existing validated scales developed by theorists for measuring the same constructs. Modifications to such scales were done to suit the market and information configurations available in our country without affecting their reliability and validity. Separate scale validation was not done for the two scales so adopted. Sources of the above two scales are detailed in the text of the analysis.

Scales (1) and (4) were developed in the course of the qualitative module of the research with input from the discussions with experts, shop owners, shops and sales personnel, colleagues, other researchers, buyers and other relevant people. Validation of the scale has been done as detailed in the analysis of the respective scales. The steps in the scale development and procedures are summarized in the text of analysis. Scales one, two and four mentioned above use a five point scoring format and scale three uses a four alternative format.

The reliability of the scales was checked by scale reliability analysis in the SPSS programme. Alpha reliability using split-half method is used. The measures of reliability are presented along with the text of the analysis in each case.

The items under consideration and the respective variable names assigned are given in annexure II.

A composite segmentation index like socio-economic classification or social class based on demographics such as age, sex, education, and income is not attempted as considerable homogeneity was observed in these variables. Instead, behavioural parameters of ‘search’ and ‘confidence’ are taken as the basis of segmentation. The modal value of incomes reflects samples to be economically upscale. Nevertheless, certain variables are studied separately for these demographic characteristics.
b) Uni-variate Analysis

Simple statistical measures such as frequencies, cross tabulations and descriptive statistics such as percentages, arithmetic mean, standard deviation, skewness, ANOVA, Student’s ‘t’ etc. are used for exploring composition within variables. Non-parametric tests such as Chi-Square, Mann-Whitney and Kruksal Wallis tests were also applied.

c) Multi-variate Analysis

Appropriate statistical measures such as Factor analysis, Principal component analysis, Cluster analysis and Correspondence analysis were used to arrive at conclusions. Graphs and diagrams are placed in the text of the chapters reporting analysis.

P value is the probability of committing type I error, that is the probability of rejecting a null hypothesis when it is true. Throughout the study, the type I error is kept at five per cent level, that is we reject a hypothesis if P value is less than 0.05.

The study does not propose a general hypothesis as it examines the buyer information problem from multiple angles precluding aggregation into a single dimension. However, at appropriate stages in the analysis, hypotheses were formulated and tested in order to extract underpinnings in the data and to test relationships and /or independence.

1.11. Assumptions

Buyer information is assumed to be the most important input in brand choice decision.

1. Acquisition and use of external information is assumed to have preceded brand choice.
2. The buyer is assumed to be aiming at rational choices which would optimize his utility function.

3. Intangible use criteria (Porter, 1985 p.143) are assumed away. The motivations of purchase are economic in the narrow sense.

4. The household is assumed to have expressed collective preference in the choice.

5. Knowledge is taken as given. Usable prior information is assumed away since re-purchase of the same brand is not considered.

6. Instrumental motives predict reasons for the purchase of the items.

1.12. Operational Definition of Terms

(i) Buyer Information

Buyer Information refers to the set of stimuli available in the external environment. It is the entire array of product related data available to the consumer for supplementing the information recalled from memory and is acquired from outside sources through deliberate external search.

(ii) External Search

External Search refers to the conscious and deliberate pre-purchase search for information from outside sources such as commercial sources and non-commercial sources.

(iii) Consumer Confidence

Consumer confidence is the self-perceived capacity of the buyers for effective action in the marketplace. It is a measure of the buyers' felt capacity for assimilating and distinguishing between information and considering alternatives which will maximize their utility function.
(iv) Information Environment

Information environment is the entire set of arrangements evolved and prevailing for provision and acquisition of product and brand related information to the buyers before purchase.

(v) Intrinsic Friendliness of the Market

Intrinsic friendliness of the market refers to the characteristic of the market which represents an enabling information environment where reliable information can be easily accessed to and choice can be exercised independently and objectively, without being influenced by coercive factors.

1.13. Limitations

The study is subject to the following limitations.

1. The Lack of generalisability of the findings, given the fact that a single district alone is considered and also that only specified consumer durables are included in the study. The variables affecting buyer information and brand choice would differ across different product categories and therefore the results of this study may not be applicable to other product categories in the same information environment.

2. The study is based on reported measures on the variables. The study is subject to all errors that may be caused on account of differences between reported responses and actual behaviour due to traits of buyers such as under-reporting and exaggeration.

3. Even though enough care is taken to control idealized responses, the possibility of such idealized responses cannot be ruled out.

4. Lack of specific information from theories of consumer behaviour developed in a developing economy setting has made the design of the study comparatively difficult.
5. Consumers' lack of awareness of the information problem and the resultant possible bias in reporting.

6. The study assumes equal acquired passive information for all buyers which is unrealistic.

7. Consumers' involvement with other receivables is held constant.

1.14. The Report

The report of the study is organised as follows:-

Chapter 1 - Introduction - deals with the background of the study, the problem under study, the importance, need and relevance of the study, methodology used and the limitations of the study.

Chapter II - Review of Literature - presents review of previous literature under four heads namely 1) The constrained consumer 2) Factors affecting information search 3) Sources of information and their influence and 4) Deliberation and use of information in brand choice.

Chapter III - Intrinsic Friendliness of the Market and Buyer Confidence - This chapter deals with the analysis of consumers' evaluation of the intrinsic friendliness of the information environment. It also reports the measure of the extent consumers' perceived self-confidence in information acquisition and brand choice.

Chapter IV - Extent of External Search - presents analysis on the extent of external search for information done by the buyers.

Chapter V - Sources of Information - describes the different sources of information used by buyers before purchase decision is made. It also presents evidence on the extent of informational influence of others.
Chapter VI - Use and Diagnosticity of Information which are not Function-Specific - deals with the analysis of the diagnosticity of signals which are not function specific in decision making.

Chapter VII - Brand Choice - details the factors that determine the choice of a particular brand from among different brands.

Chapter VIII - Findings and conclusions.