CHAPTER - II

Consumer Behaviour & Purchase Decision of Household Computer
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A Review of Literature

In the process of research, the researcher had gone through many research papers, previous studies, articles pertaining to the various dimensions of consumers attitude and purchase decision. Such a reference work has played an important role in identifying and formulating the research problem and in carrying out this work. The essence of the related literature has been presented in this chapter.

The framework used for this study is the Theory of Planned Behaviour (TPB), a well-regarded and well-researched Social Cognitive Model to explain human behaviour. This chapter explains about the earlier literatures, which is relevant to the research area and also the gaps in those literatures. The researcher has found out solutions for some of the problems, which form, very important for the business as well to the study area.

2.1 Theory of Planned Behaviour (TPB)

The TPB views a person’s intention to perform a behaviour as the immediate determinant of the action (Ajzen 1988). As a general rule, the stronger the intention to engage in a particular behaviour, the more likely should be its performance (Ajzen 1991). The TPB states that intentions are determined by three factors — attitude towards the behaviour, subjective norm, and perceived behavioural control (Ajzen 1988). The validity of the TPB model has been verified empirically in psychology literature (Ajzen1991; Ajzen and Madden 1986) and marketing literature (Taylor and Todd 1995b). TPB has been a good predictor of behaviours such as taking vitamins (Madden et al. 1992) and weight loss (Bagozzi and Kimmel 1995). The theory has also been successfully applied in several studies on general ecological behaviour (Kaiser et al. 1999) and household recycling (Boldero 1995; Taylor and Todd 1995b). The predictive power of TPB’s variables has also been validated in studies investigating internet abuse (Galletta and Polak 2003) and e-commerce adoption (Paviou and Fygenson 2004). Purchase of home computer as
a socially and personally positive behaviour as it protects one's interest to purchase home computer. Hence, it is appropriate to study this behaviour by using the TPB.

### 2.2. Decomposed Theory of Planned Behaviour

To better explain the relationship between behaviour and intention, the TPB has been decomposed, modified and extended with new constructs by several authors (Chau and Hu 2001). In a research studying information technology use, two variations of the TPB along with the Technology Acceptance Models were tested (Taylor and Todd 1995a). Of the three, the decomposed TPB (Figure 1) provided a moderate increase in the explanation of intention. This is the model that we are adapting for this study, as it provides a better understanding of behavioural intention by focusing on factors that are likely to influence the user. Our research is thus consistent with computer usage studies with similar objectives, focusing on attitude, social influence and facilitating conditions (Hartwick and Barki 1994; Mathieson 1991).

In the original study, the researchers studied individuals' usage of an IT resource centre in an organizational setting. To suit the context of our study, the constructs *Compatibility, Ease of Use, Technology Facilitating Conditions* and *Superior's Influence* are not included. Thus, the factors that we have retained for our project are those, which we consider applicable to the home setting. For example, the construct *Superior's Influence* (Taylor and Todd 1995a) will not be studied as we are targeting home computer users and not employees in an organization. We will study *Family and Peer Influence* instead of just *Peer Influence*. This is because in studying of home computer users, family members' role in promoting the usage behaviour cannot be ignored, besides studying the effects of people known to users (i.e. family members and peers), researcher is also interested in studying the effects of "others", in the form of mass media (Taylor and Todd 1995).
Figure - 2.2
Model of Theory of Planned Behaviour
The subjective norm of mass media was first introduced and tested in the (Ajzen's 1985) Planned Behaviour Model. The results indicated that people perceived influence from significant others as well as "unknown others" through the mass media. This illustrates the informal contribution of mass media to the learning and adoption of established norms, values and expectations of behaviours in given social roles and situations (McQuail 1987). There is increasing evidence that the mass media serve as important sources of information for a wide range of topics (Dominick 1996). Mass media campaigns may be useful for raising an issue for public attention, such as drunken driving, or for introducing new concepts, such as what comprises a standard drink (Agostinelli and Grube 2002). Thus, besides acting as powerful means of information dissemination, mass media can also be used to promote activities that will benefit society. There is little doubt on the role of the mass media as agents of socialization (Dominick 1996). One of the effects of this socialization process could be a behavioural change on the part of the receiver. In a study of the use of mass media to promote healthy eating, findings show that a media-only approach was sufficient to encourage a significant proportion of the people in one community to alter the dietary habit targeted by the intervention (Reger et al. 1999).

In a TPB study investigating waste recycling behaviour, mass communication stood out as one of the major sources of influence in the establishment of subjective norm (Chan 1998). This provides evidence on the merits of using mass media to promote socially and personally positive behaviour. In another study on e-commerce, external influence (which included mass media) was found to be an important predictor of subjective norm (Bhattacherjee 2000). In this study the researcher has taken some interest to know about the influence of the mass media, the researcher grouped newspapers, pamphlets, magazines, television, radio, movie, rode side posters and others as mass media, and the influence is really high with Chan's literature i.e. 19.8 percent of the respondents are influenced by the mass media.

Consumers today have a wide variety of choices when buying a computer system. Choosing the right system for your needs is a hard task, but where to buy that computer can be just as difficult. There are really three types of places to buy a
brand new computer these days: retailers, direct order and resellers. The researcher has pointed out one more place to purchase the computer called as "assembler", the assembler himself has a shop or he does as a part-time job. As there are more advantages and disadvantages on the above said three places of purchasing computers the researcher said "Assembler" has more disadvantage with risk, of course, the risk is explained in more detailed manner in the analysis part.

The main objectives of a study by Mary Keegan Eamon were to examine the "digital divide" in home computer ownership and to evaluate differences in academic and non-academic computer use between poor and non-poor youth. Data from a national sample of 1,029, 10- through 14-year-old young adolescents were analyzed. Results show that the poor youth were 0.36 times as likely to own a home computer, but equally as likely to use their home computer for academic purposes, as were non-poor youth. Poor youth did not differ from non-poor youth in how often they used any computer for academic purposes, but were less likely to use any computer for non-academic purposes. Government initiatives to close the digital divide and foster computer use among poor youth are suggested. (Mary Keegan Eamon).

In this research and study area the ownership of computers is related to the study conducted by Mary Keegan Eamon. This research paper also shows that almost 52.1 percent of the home computers are owned by unmarried singles, can also be mentioned as youth. Almost 78.8 percent of home computer owners are male. The research has proved that the ownership of the computers is more with the low-income group between Rs.5000 to Rs.15000, i.e. they own 33.8 percent of household computers. There is no special influence with respect to poor and non-poor youth separately.

1 Digital Divide in Computer Access and Use between Poor and Non-Poor Youth: Journal article by Mary Keegan Eamon; Journal of Sociology & Social Welfare, Vol. 31, 2004
The study estimates sales of home computers over the past year, and among other things, provides a breakout of consumer preferences as they related to brands, model types, usage and main factors driving the purchase of one brand over another. The researcher has given a new dimension to the computer manufacturers and also a warning to the computer manufacturers on the assembled computers, it takes a serious warning on copyrights and trademarks to the original manufacturers of the computers.

Like the official computers the home computers has its own growing demand in the market with its own special requirements from the consumers. The researcher has further discussed these points in the analysis chapter.

Personal computers (PC) and Internet connections\(^2\) were very common in households. About 1,671,600 households, or 74.2\% of all domestic households in Hong Kong, had PC at home in 2007. Among those households with PC at home, some 1,580,200 (94.5\%) of them had their PC connected to the internet, representing 70.1\% of all domestic households in Hong Kong their PC were connected to the internet (Census and Statistics Department, 2007). Also a survey on 3,640 secondary school students in Hong Kong (Positive Living United Services, 2000) indicated that 90\% of students participated in computer information technology related activities such as Internet surfing and ICQ. Unlike many other technological systems, which to some extent isolate the user, the internet can be interactive, through e-mail, chat rooms, MSN, etc. These interactive uses are popular with college students (Jones, 2002). In addition, people who had stronger subjective norm influences (i.e. encouragement from parents and teachers, and motivated by friends) and skills (i.e. their leisure skills, and internet skills), which are the component of the Theory of Planned Behaviour, may have had greater motivation to use the internet (Fusilier & Durlabhji, 2005).

The researcher has also shown in his study, the task of the individual is the prime motive of every work place. Completion of task is essential for many changes in work life, the analysis reveals that majority (63.7\%) of the consumers

\(^2\) Household Survey conducted by The Census and Statistics Department, Hong Kong, in 2007.
perceived that use of household computers improved work productivity. Thus, it can be concluded that use of household computer improved work productivity. The household computers are now becoming common and play a very important role in one's work.

Behavioural Choice Theory (Rachlin, 1989) provides a useful theoretical structure for understanding the factors that influence people who make choices. The theory argues that the available alternatives would affect the choice of behaviour. The factors that influence choice included the reinforcing value of the alternatives, the behavioural cost of the alternatives, and the relative delay between the choosing and receiving of the benefits (Tsai & Coleman, 2007).

Research has also reported that an important reason for individuals' participation or drop out in active recreation is the leisure preference, preference for participating in active recreation or other leisure interests (Allison, Dwyer, & Makin, 1999; Leith & Shaw, 1997). A further classification of sedentary leisure into high and low preference sedentary activities was done by Epstein, Saelens, Myers, and Vito (1997). They found that high preference sedentary activities competed with active leisure more than the low preference sedentary activities. Accordingly, some studies tested interventions such as curriculum-based strategies and home visit to reduce students' compact in sedentary leisure activities but could not effective in increasing their physical activity participation (Salmon, Owen, Crawford, Bauman, & Sallis, 2003). The analysis of individual's interests and preferences for different kinds of sedentary activities and active recreation may add to our understanding of the leisure preference patterns that strengthen the maintenance of active leisure lifestyles (Tsai & Coleman).

The interests and the preferences of the interviewees' showed that only 18% of the respondents time spent with friends is decreased, time spent on the television as leisure time has been decreased i.e. 48.8% of respondents agree that their time spent on television is decreased, and the time spent on sports which is assumed as physical exercise shows that 41.9% respondents activities has reduced or decreased on recreation. It means the lifestyle of the consumers is changing.
The attitude and social influence (subjective norms) components are unique to the Theory of Planned Behaviour (Fusilier & Durlabhji, 2005). Also in a less individualistic culture, and social factors, such as being with friends or keeping in touch with friends, might be an important factor on the influence of the behaviour (Hofstede, 1991). The reason such as lack of fun, limited improvement in skill or no success, and competitive stress may be classified as negative outcome affecting the active participation in recreation, and the concept of the Theory of Planned Behaviour (Tsai & Coleman, 2007; Ajzen, 1985).

Furthermore, reasons like lack of support from significant others, such as lack of money and facilities, can be seen as normative beliefs in the Theory of Planned Behaviour (Tsai & Coleman, 2007). Reasons such as lack of competence, lack of skills and ability, lack of time due to study, lack of energy, and lack of facilities may be classified as perceived constraints to participation. These constraints were further classified according to leisure constraint theories (Crawford, Jackson & Godbey, 1991) into interpersonal constraints, interpersonal constraints, and structural constraints. These constraints would also be classified based on factor analyses and other conceptual dimensions (Tsai & Coleman, 2007).

In this research, the analysis found out that nearly half (46.9%) of the consumers expressed their attitude that use of computer has increased interaction with friends. A little more than one third (35.1%) of them expressed that interaction has not changed and 18 percent of them expressed that interaction is decreased due to the use of household computers.

Nearly twenty million children in the United States do not have computers in their homes. The role of home computers in the educational process, however, has drawn very little attention in the previous literature. The panel data from the two main U.S. datasets that include recent information on computer ownership among children - the 2000-2003 CPS (Child Protective Services) Computer and Internet Use Supplements (CIUS) matched to the CPS Basic Monthly Files and the

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National Longitudinal Survey of Youth 1997 - to explore the relationship between computer ownership and high school graduation and other educational outcomes. Teenagers who have access to home computers are 6 to 8 percentage points more likely to graduate from high school than teenagers who do not have home computers after controlling for individual, parental, and family characteristics.

The research generally found evidence of positive relationships between home computers and educational outcomes using several estimation strategies, including controlling for typically unobservable home environment and extracurricular activities in the NLSY97, fixed effects models, instrumental variables, future computer ownership and pencil tests. Some of these estimation techniques, however, provide imprecise estimates. Home computers may increase high school graduation by reducing non-productive activities, such as truancy and crime, among children in addition to making it easier to complete school assignments.

However, in this study the researcher has attempted to know the influence of the home computers towards the decision-making, when the research was conducted with the households who own home computers. It revealed that almost 57.7% of respondents do not have child. Thus the study was limited to check the children strength in the family and does not focus on the behaviour of students with relation to academic performance of the children. The study also reveals that possession of computer is more among the families who have lesser children that higher the number of children the lower the purchase behaviour or lower the affordability. It is also observed that as the number of children is more the symptom of computer possession diminishes.

2.3. How Important are the Social Influences?

‘Imagery is a process by which sensory information and experiences from long-term memory are represented in short-term memory.’ It is possible that user imagery and usage imagery may be related largely to the social class and status. The symbolic function of possessions can be explained by ‘social constructionism’,
which regards possessions as 'socially shared symbols of identity.' All individuals share in a process of transmitting, reproducing, and transforming the social meaning of objects. Thus, consumers receive the meaning of objects, transmitted by others and which they, in turn transmit to others, but they are also transformers of social meanings.

The fact that BMW (Bavarian Motor Works) is the favoured brand in the UK and Mercedes is Thailand’s prestigious choice. It’s then not surprising if one recalls the scenery of Thai Royal family, politicians, and millionaires sitting in Mercedes limousines, and those UK excellencies and billionaires sitting in Rolls-Royce. Enhancing these values, Mercedes’ advertising always promotes Mercedes as a very expensive, luxury, and prestige car and also holds a reputation for reliability (dependability: in terms of ease of maintenance and repair cost) and durability (BBC Top Gear, 1998). Customers’ imageries are then linked to a ‘Cognitive Elaboration Mechanism’ according to which ‘used by’ information and would increase the general level of interest in the product under consideration (Hong and Wyer Jr., 1989). They will be regarded as successful persons living a luxurious life in society if they possess such cars. Nevertheless, there are a small segment of Thai customers who are attracted to BMW in terms of its sportiness (performance, handling, appearance/visual impact) despite the traffic congestion indicating a role for attitudes towards brand image and identity.

Although the customers have a lack of frequent opportunities to gain functional and experiential benefits of performance and handling of BMW cars in Thailand, they can still gain these benefits from technology and sporty appearance of the cars. This can be explained by psychometrics (Haubl, 1996: 90) which has proved that foreign (German) production of automobiles is likely to have an impact not only on car buyers’ overall evaluation of a vehicle, but also on their perception of specific product attributes, e.g., various technical features or the appearance of the car. UK customers, more fortunate than the Thais, have higher purchasing power and opportunities (full ranges of products and better infrastructures) to more fully experience the functional and experiential benefits from BMW. It is possible

to merely metaphorically describe that, at the equivalent degree of enjoyment, 'UK luxury car customers drive the cars' but 'Thai luxury car customers let the cars drive them'. Thai and UK customers may share the same degree of willingness to involve in such a stereotype because they represent different types of customers.

This particular literature is the proof of the social influence on the brands, the researcher in this study has shown all the findings which is favourable to the above literature, 41.3 percent of the respondent own HP, 22.2 percent own LG and 13.9 percent of the respondents own IBM, these three brands shows the significant level towards the status of the consumers. It is also proved that the majority of the users of computers irrespective of any brand highly satisfied with their brand of computers. Among which other brands get maximum of 88.5 percent frequency. Second place goes to HP (74.3 percent). Among the low level satisfied respondents, 25 percent constitute WIPRO users and IBM constitutes 22.2 percent.

Brand possessed and the level of satisfaction on the use of system. The level of satisfaction includes life of computer, size of hard disc, software installed and time taken to operate the computer. Consumers show the same behavioural pattern to the cars and the household computers. The consumers in the study area tend to make choice with the computers, which they feel to increase their status with the influence of the society and the mass media, which the researcher has already mentioned in the beginning of this chapter.

2.4. Past Behaviour

Models of human behaviour that incorporate past behaviour have been widely tested in several different behavioural domains. The Theory of Reasoned Action (Fishbein 1980) asserts that behaviour is directly determined by intentions to act. Although past behaviour is not included in this model, several researchers have included past behaviour as an additional predictor variable. Beatty and Kahle (1988) added habit to the Theory of Reasoned Action model in order to examine strongly repetitive consumption behaviours, such as soft drink consumption. Results from this study found that the past behaviour-future behaviour linkage was clearly established. Thus verifying the importance of past behaviour within models examining frequently purchased product categories (Beatty and Kahle 1988).
In addition, Wansink and Ray (1992) found that prior consumption of a brand of soup, gelatin, or cranberry sauce was significantly related to one's predicted consumption of it. Bagozzi and Warshaw (1990) proposed a Theory of Trying, which added frequency and recency of past trying (measures of past behaviour) to the Theory of Planned Behaviour. Results from an examination of weight loss behaviours revealed that these past behaviour variables added considerable explanatory power (Bagozzi and Warshaw 1990). Specifically, recent past behaviour helped predict future behaviour, and frequency of past behaviour was a significant predictor of intention. In addition, East (1993) found that adding past behaviour to the Theory of Planned Behaviour improved prediction of intentions to apply for shares in three industries. In an examination of consumer recycling goals, Bagozzi and Dabholkar (1994) found that past behaviour intervenes between goals and intentions in decisions to recycle. Bagozzi, Baumgartner and Yi (1992) also found that past behaviour was an important determinant of coupon usage intentions. More recently, Bagozzi et al. (2000) incorporated past behaviour into the Theory of Reasoned Action model in an examination of fast food restaurant consumption. Results revealed that past behaviour added considerably to the amount of variance accounted for in intentions. Lee (2000) incorporated past behaviour into her model of cross-cultural consumer behaviour, and found that past behaviour was a significant predictor of camera purchase intentions.

In studies of consumer expenditure on home computers, McQuarrie (1988) and McQuarrie and Langmeyer (1987) found that neither intention alone nor past behaviour by itself provides an optimal prediction of behaviour. Results from these studies supported an additive model, which incorporated intentions, past behaviour, and subsequent behaviour. Other studies of health care marketing (Gooding 1994) and traveling behaviours (Geva and Goldman 1991) have found weak links between past behaviour and intentions. However, factors such as perceived risk may determine the influence of past behaviour on intentions and future behaviour. Sonmez and Graefe (1998) found that past travel to specific regions increases the intention to travel there again and decreases the intention to avoid high-risk areas.
Conditions under which past behaviour would guide future behaviour have been delineated in Ouellette and Wood's (1998) meta-analysis of prior research on behaviour prediction. Based on results from 64 independent studies, the authors found that past behaviour emerged as a significant predictor of future behaviour, independent of intentions. In 19 of 22 studies, past behaviour was a significant predictor of intentions, suggesting that past behaviour directly predicts intentions. However, when modeling joint effects of past behaviour and intention on future behaviour, results revealed that past behaviour is a better predictor of future behaviour than intentions when considering well-practiced behaviours in constant, stable contexts (e.g., class attendance, church attendance, clipping grocery coupons). For behaviours that occur infrequently and in shifting or difficult contexts (e.g., blood donation, voting, getting a flu shot or mammogram), the effects of past behaviour on future behaviour were found to be mediated by conscious intentions, such that past behaviour had an effect on future behaviour to the extent that it contributed to intentions (Ouellette and Wood 1998).

Since, the links between past behaviour and intention are still unclear, the purpose of this study is to examine these links in a household context. Following the studies, past behaviour and intention measures relating to purchasing household computers at authorized dealers, manufacturer retail shops, assemblers and other sources rather than general intentions were utilized and the constructs were measured in a context that was similar to the purchase context. It was expected that individuals who have purchased or owned the computer before in the past is more likely to report intentions to purchase items or they have more requirement in the computer facilities. So, the research has proved that the consumer who already have knowledge of the computers go for better brands with better configuration in the software’s with more facilities and those who purchase it for the first time they just make a try.

2.5. Men's and Women's Attitude Towards Computer

The pervading theme of research results regarding gender and the measurement of intellectual abilities is that gender is not an important variable; however, researchers have reported gender difference in attitudes toward computers in
various environments (Jacklin, 1989). The earliest research that examined attitudes toward computers was conducted by Lee (1970). He identified two dimensions of attitude:

(i) Belief in the computer as a beneficial tool and
(ii) Belief that the computers are autonomous entities. Lee's conclusion has been supported by Cancro & Slotnik (1970) and Gardner, Young, & Ruth (1989). Lee (1970) hypothesized that lower autonomous entity attitude scores would result in an increase in computer use, which would in turn result in higher beneficial tool attitudes.

He concluded that the driving factor in determining computer use was a beneficial tool attitude. This finding can be extended to an explanation of the attitudinal processes involved in the introduction to all forms of technology. Individuals are likely to be apprehensive when they meet any new technology. As they familiarize themselves with it and adopt it, they realize its inherent utilitarian value. Early studies of elementary and high school students identified an apparent dominance of males with regard to computer use and positive attitudes about the computer. An explanation for this gender difference may have evolved because computers were identified with math and science; and females saw themselves as lacking basic abilities necessary to succeed in such environments (Dambrot, Watkins-Malek, Silling, Marsh, & Garber, 1985). Others attributed the difference to lack of access to computers by females (Lieberman, 1985; Kiesler, Sproull, & Eccles, 1985; Goodwin & Wilkes, 1986; Marshal & Bannon, 1986; and Muira, 1987). Not all studies drew this conclusion, however, Wu and Morgan (1989) found that the relationships between the amount of computer use and attitudes about the computer were not especially strong.

Over the years, gender issues related to various academic specialties have been debated in literature. When computers were introduced to the classroom in the 1980s, researchers sought to determine whether the gender of a student made a difference in performance on or preference for computers. Lockheed and Frakt (1984) saw the use made of the computer as the significant factor. Adolescent girls liked software applications while boys preferred programming activities. Daiute
(1984) concluded that students with keyboarding skills make better use of word processing. Subjects with keyboarding preferred word processing tasks over those that required using paper and pencil. These students, mainly women, would have a greater incentive to use computers. Kantrowitz (1994) affirmed this finding when she indicated that men tended to be seduced by the technology, while women appreciated the practical application of computers and software for meeting needs.

Greber (1990) suggested that females had opted out of the computer field for a variety of reasons: gender-inappropriate software, sex-role, stereotyped games, games focused on violent examples, and a lack of female protagonists. The conclusion was that educational programs should provide skills and confidence for creative change within the new sociopolitical arrangements created by computers. As Greber pointed out, technology is never produced in a vacuum but in a particular social and economic context, one that can be changed by social and political action.

However, this study dealt with computers as a career field and not for comfort computers were used as tools. Another factor studied was the context in which computer skills were acquired. For students who learned technology in carefully structured classroom situations, Smith (1986) found that the differences between genders disappeared; but when structure was not present, the differences between the genders increased with age. At the college level, Arch & Cummins (1989) found little or no difference between the attitudes of the genders in classrooms where an integrated, structured introduction to computers was provided. But with regard to attitude about the computer, Williams, Ogletree, Woodburn, & Raffeld (1993) found that only past computer experience related to positive computer attitude scores. Gattiker & Hlavka (1992) found no gender differences when comparing attitudes of computer owners. The decision to own a computer was viewed as self-socialization.

However, as they pointed out, increased access to computers at work may have lessened the value of ownership as a basis for comparison. In a study of computer anxiety in college students, Raub (1982) evaluated eight independent variables and found five to be significant including gender. Separate analyses for
each gender uncovered different combinations of predictor variables, suggesting that computer attitudes are gender specific and culturally learned. Sacks, Bellisimo, & Mergendoller (Winter, 1993-94) concluded that male attitudes about computers were stable across their experiment and that change would not be expected because the males have been socialized by a society that encourages males to be proficient in all technological issues. Females, on the other hand, have not been so encouraged; but when they are provided with computer instruction and experience, their attitudes and behaviours are not different from males. While a few studies contradict the general consensus in the literature, most conclude that males (1) have a more favourable attitude toward computers. (2) Perceived computers will be a career asset, and (3) demonstrate greater interest, participation, and competence in computing. According to Williams et. al, (October, 1993), this tends to be consistent across age groups from elementary to college students.

To the above literature the researcher has also shown the evidence that the possession of the computers and the interest on the computers is mainly with the male respondents, the researcher also found that the female respondents are more interested with the other products like the Washing machines, Oven, Cooking Range, Gas stoves etc, the male respondents are week with this products but are superior to with relation to the household computers. It is found out that majority of men 78.8% possess computers, which indicates the culture that permits only men to work. The present life forces even women to work and earn for family, thus nearly one fourth 21.2% of the respondents are female members. Thus, it can be concluded that though computer had become important product for both the gender, men use more than women.

2.6. Place of Purchase

Not all consumers buy from the same location. It is also true that the same consumer could buy from different locations depending on the product and the need. A study on haats indicates that, despite the same product being available in the village shop, 58 percent of the rural consumers visiting the haats preferred to buy these from a haat because of better prices, quality and variety (Kashyap,

6 Combination of Food Plaza and Craft Bazaar, The Haats ( Rural Markets).
1998). Rural consumers do not rely on the local outlets and *haats* alone, as some of the purchases are made in the urban areas. This is because:

(i) There are a few product categories where rural distribution is still comparatively low and therefore the consumer buys from the towns. It was observed that for certain categories of FMCG, the rural consumers made as high as 50 percent of their purchases from the urban markets. In the case of products where the rural dealer penetration is low, the purchase from the urban centers is high. Shaving cream has a low dealer penetration and 37 percent of the purchase is from urban centres. Tea has a high dealer penetration of 65 percent in rural markets and in this case 25 percent of the purchases made by rural consumers are from the urban markets.\(^7\)

(ii) In certain cases, the consumer seeks variety. In the case of toilet soaps and washing powder, the consumers may perceive the range in villages as limited.

In this study the researcher has found out that the consumers purchased the computers mainly from Vellore city. It means those who reside in the towns of Vellore district have purchased their computers in Vellore city, which is the headquarters of the Vellore district and those who are residing in Vellore city have purchased their computers from Chennai and Bangalore. It is because, they are seeking more facilities and based on their collected information on computer and knowledge, they have purchased their computer outside the city and not in their own towns or villages. The consumer behaviour as per the above literature, it is evident that not only for FMCG (Fast Moving Consumer Goods), even to computer customers, search the better satisfaction level during their purchase.

### 2.7. Decision Making Influence

In the traditional scenario, decision-making on a purchase was limited to the male heads of households. An increase in rural literacy coupled with greater access to information has resulted in the involvement of the other members of the family.

in purchase decision-making. This presents a wider target audience for marketing and wider media options for advertisers. An increased exposure of rural consumers to urban lifestyle has led to a gradual change in norms and roles prevalent in the social fabric of villages.

(i) A primary symptom of the change is the shift from collective thought to individual action.

(ii) Another change is in the similarities in perceptions, attitudes and benefits

Arun Adhikari of Hindustan Lever Limited (HLL; now known as Hindustan Uniliver Limited) says ‘Media has taught rural India to learn to decode the advertising structure and has built aspirations.... In a commercial’s content, there are more similarities emerging than dissimilarities for broad based products’. An example: Lux runs the same advertising film across markets.

As a brand and in it’s advertising, it promotes a functional benefit of ‘pure and mild’. Its emotional cue of glamour and escape rubs well with consumers who are socially trapped, that is, both city and rural audiences (Arathoon, 1999).

A third change is in the behaviour of the rural consumer. The saving and investment patterns of the rural rich is shifting from gold and land to tractors, harvesters, VCRs and Marutis (Kashyap, 1998)

The researcher as per the views of Sanal Kumar Velayudhan (2007) found that the decision making process has been influence by others in the family. Nearly, one-fourth (24.3 percent) of them were influenced by the decision made by someone else. Thus, we can state that the consumers are exposed to more of information and knowledge about the products through advertisements in media which forces them to suggest in the decision making process of the individuals.

2.8. Consumer Surprises Marketer with Innovative Use of Products:

Pratap Roy of Godrej travelled to Islampur, a remote village in Maharashtra, by his company’s van. After the usual hoopla (music), announcement of free gifts, the van made its way to the few shops in the village. There was a
surprise in store for him; every shopkeeper wanted to lay his hands on all the bottles of hair dye available. Roy discovered that the farmers who bought from the shops did not want the dye for themselves. They were using it to colour their cattle to make them look younger and healthier (Das Gupta and Menon, 1990). The researcher in his study found out that the consumers not only buy their product to use word process or for games, but the household consumers state that they use the home computers for listening to music, for printing visiting cards (part-time jobs), to design stickers for their bikes and cars, to use it as an electronic photo display album and computer is also used as an decorative product in their house.

2.9. Forming Attitudes

We all have lots of attitudes, and we don’t usually question how we got them. Certainly, a person isn’t born with the conviction that, ‘Pepsi is better than Coke’, or that ‘alternative music liberates the soul’. Where do these attitudes come from? In our study we can see the HP is preferred to other products like IBM, LG, WIPRO. Why is it so? Well, they are influenced by various external and personal factors.

An attitude can be formed in several different ways, depending on the particular hierarchy of effects in operation and the attitude is learned. It can occur because of classical conditioning, in which an attitude object such as the Pepsi name is repeatedly paired with a catchy jingle (“You’re in the Pepsi Generation”).

Similar to that, in this study the respondents told that they are familiar with the instrumental music in the HP or it can be formed through instrumental conditioning, in which consumption, the attitude object is reinforced (e.g., Pepsi quenches one’s thirst), or the learning of an attitude can be the outcome of a very complex cognitive process. For example, a teenager may come to model the behaviour of friends and media figures who drink Pepsi because consumer believes that this act will allow them to fit in with the desirable images of the Pepsi Generation. In our case, group of friends who own the HP brand are forced with same attitude.
2.10. The Consistency Principle

Have you ever heard someone say, "Pepsi is my favorite soft drink" or "It tastes terrible," or "I love my husband" or "He's the biggest idiot I've ever met"? Probably not too often, because these beliefs or evaluations are not consistent with one another. According to the Principle of cognitive consistency, consumer's value harmony among their thoughts, feelings, and behaviours, and they are motivated to maintain uniformity among these elements. This desire means that, if necessary, consumers will change their thoughts, feelings, or behaviours to make them consistent with their other experiences. The consistency principle is an important reminder that attitudes are not formed in a vacuum. A significant determinant of the way an attitude object will be evaluated is how it fits with other, related attitudes already held by the consumer.

In Indian context we can refer the advertisement of the Prestige Cookers ("Those who love their wife, will not say 'NO' to prestige cookers"). In this research the researcher does not step in to study the influence of the advertisement but instead the social status has been examined, and it shows that the ownership of computers increase the status of the consumers.

2.11. The Family Life Cycle

A family's needs and expenditures\(^8\) are affected by factors such as the number of people (children and adults) in the family, their ages, and whether one, two or more adults are employed outside of the home. Two important factors that determine how a couple spends time and money are: (1) whether they have children and; (2) whether the woman works. This research was limited to only one question on how many children they have.

Recognizing that family's needs and expenditure change over time; marketers apply the Family Life Cycle (FLC) concept to segment households. The FLC combines trends in income and family composition with the changes in demands placed upon this income. As we age, our preferences and needs for

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products and activities tend to change. Households headed by twenty something spend less than average on most products and service because their households are small and their incomes are low. Income levels tend to rise (at least until retirement), so that people can afford more over time, older consumers spend more per capita on luxury items like gourmet foods and upscale home furnishings. In addition, many purchases that must be made at an early age do not have to be repeated very often. For example, we tend to accumulate durable goods such as large appliances and only replace them as necessary.

A life-cycle approach to the study of the family assumes that pivotal events alter role relationships and trigger new stages of life that alter our priorities. A number of models have been proposed to describe Family Life Cycle stages, but their usefulness has been limited because in many cases they have failed to take into account such important social trends as the changing role of women, the acceleration of alternative lifestyles, childless and delayed-child marriages, and single-parent households.

In this study the researcher has found out that the ownership of computer is mostly with the household who have four persons i.e. 40.3 percent of such households posses computers. 24.3 percent families, where there are five or more own the computers. This is not actually contradictory to the Family Life Cycle purchase but the household believe that the computer is necessary and they will alter or change according to their needs in the future course of time.

2.12. Role of Children in Family Purchase Decision Making

In India, Singh (1992) studied the role played by family members while purchasing a television across five occupational categories: teachers, doctors, business people, lawyers, and engineers. Children of engineers and doctors were found to have a remarkable influence in the purchase decision. Hundal (2001) in a study of rural buying behaviour in Amritsar district of Punjab investigated the role of family members in making purchase decisions for durables including refrigerators, televisions, air-coolers, and washing machines. His findings projected that product selection decisions in rural families were mostly made by spouses together but they were highly influenced by children. Halan (2002) opines
that “marketing to kids is no longer kid stuff” (p.46). In a focus group study by Kids-Link, the market research group of Kid Stuff Promos and Events, with boys and girls in the age group of 13-15 years in Delhi, girls estimated that they were able to influence 50 percent of the decisions.

The study highlighted that kids have a lot of information because of their exposure to television, other media, and friends. They reflected that parents sought their opinion even in making purchase of products not directly related to the children, such as cars, because of their higher knowledge of brands, models, and the latest trends. Also, children stated that parents bought products that made the kids happy.

From this study it is clear that, there is influence by the children to purchase the home computers, i.e. 32.6 percent of the respondents have agreed that they bought the computers for their children’s education. It is indirectly informing the society about the influence of the children in purchase decision, it has played a very important role in the decision making process.

Children were not seen to have a large impact on instrumental decisions such as how much to spend, but do have on expressive decisions such as color, model, brand, shape and time of purchase. However, Williams and Veeck (1998) reported that in China, where most families have a single child, the child exerted considerable influence during all stages while buying products for family use. Beatty and Talpade (1994) suggested that teens’ knowledge affects their perceived influence in the search for information in the decision process for some products such as the family stereo. The teens’ financial clout seems to allow them greater say in initiating self-purchases, but not in family purchases. Parents’ dual income status allows adolescents greater influence in some family durable purchases, but this does not affect self-purchases where their influence is already substantial. These effects are pronounced for products that teens care for (e.g., stereo) and use often (e.g., telephone).

While studying Indian families, Singh (1992) noted that families differed with respect to their roles in making purchase sub-decisions. The “when to
purchase" decision was generally syncratic (decided by the husband and wife jointly) and also influenced by children. Hundal (2001) noted that brand selection decisions were also made jointly by the couple but were importantly influenced by children in the family. The store where the durables were purchased as well as the making of the actual purchase decision was also decided jointly or by the husband individually (for three durables, but not for air coolers).

However, children also “went to buy,” that is accompanied their parents at the time of buying televisions, washing machines, and refrigerators. Kapoor (2001) collected information from families in Delhi in regard to their roles across stages of purchase decision-making for six durables—televisions, refrigerators, washing machines, personal computers, audio systems, and cars. She found that individual members were associated with multiple roles. The initiator for purchase in a family was typically a young female member, who was likely to be the wife or one of the children. She illustrated that the need for an audio system, personal computer, and television was likely to be first expressed by the children in the family. As influencers, younger members, especially children, were found to affect purchase of a personal computer, audio system, and television. The final purchases were found to be decided upon after consultation with other family members, mainly the husband. Children have not been observed to have a large impact on instrumental decisions such as how much to spend, but rather play a role while making expressive decisions such as color, model, brand, shape, and time of purchase as validated in the West as well. Kaur and Singh (2004) observed that children are individually active in initiating the idea to purchase a durable. In other stages of the decision making process, they exhibit joint influence along with other members of the family. This implies that they provide support to the member exerting influence to increase pressure but do not wield much influence individually. Chadha (1995) concluded that in the older age group household’s sons and daughters emerge as key persons to introduce new products in the house.

Research in this context actually describes the process of decision making undergone by the families at the time of making purchases. In India as well as in the West, there is consensus among researchers that besides the nature of the product, the influence of children varies by the stage of decision-making process.
While Western researchers have taken into account the effect of family type and composition, sex role orientation, parental style, pattern of communication, etc., to bring out a complete picture regarding the role of children, the Indian literature is more limited in this regard. Indian authors have gauged the influence of children only partially and have generally focused on spouses or all family members. Research centering on children especially is needed.

2.13. Factors Influencing the Consumer in the Decision Making Process

After the consumer has decided the criteria to be considered, he evaluates various alternatives, and then makes a choice between products. In this process, he is influenced by motivation. "Motivation can be described as the driving force within individuals that impels them to action", Successful marketers define their markets in terms of the needs of the consumers they are trying to satisfy, rather than the products they sell. This need appears to be closely related to the ego need, in that, many individuals experience increased self-enhancement when they exercise power over objects or people. A number of products lend themselves to promises of power superiority for users, and durable goods are the best example for it. In this study it is proved that the expectation of the respondents is satisfied highly 45.8 % of the respondents agreed that the expectation was satisfied, which is clear with the ego too.

A significant research work was carried out by Peters (1970) who introduced a study on the combination of family’s income and occupation as a new explanatory variable, but earlier studies focused either income or occupation alone. He chose a representative sample of 2453 families, which consisted of those that had recent model cars and those that did not have five classes of car compact, intermediate- sized, medium-sized, large and foreign cars were selected for the study.

The above study revealed that the average income-class, regardless of occupation, own foreign cars, and intermediate-sized and compact cars than

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expected. Moreover, the over privileged group (regardless of occupation) owned more medium-sized and large cars. However, in our study the respondents who earn between 5001 to 15000 feel that computer is a necessity in life, and the income group above 35001 has formed the least in the group of only 76.60 percent of the former group agree to 86.90 percent. The researcher has found out this particular information from the study area.

The concept of social class in marketing was introduced in 1950. A noteworthy study by Myres, Stanton and Hong (1971)\(^1\) compared social class and income as correlations of buying behaviour for a variety of low-cost packaged goods. The objective of this study was to determine whether social class or income best explains which products are found in homes. One thousand households were selected by multistage area probability sample. The social class was found basically inferior to income as a correlate of buying behaviour for the consumer packaged goods covered in their study. In this research, researcher has mentioned earlier about the income level of the consumer and the buying behaviour.

What goes on in the minds of a consumer as he forms a purchase decision was marvelously studied by O’Brien (1971)\(^2\) in his novel study on consumer decision-making. He used a relatively new methodology with a computer for setting up and interpreting multiple time-period survey data. The significant cross-legged and multiple correlation differences indicate that word-of-mouth influenced subsequent intention to purchase. Further, it was significant to note that commercial information has no direct influence on ultimate purchase. O’Brien research is a revealing one indeed.

In this study, very importantly in our study area, the commercial influence like advertisements has played role but moreover the influence of friends, relatives, businessmen, and personal observation and past experience have influenced more than the commercial information. As per the researcher’s study, it is found out that peer group (41.1%) play a very important role in the transmitting the information


about a product. Personal observation and experience about a product motivates to go for a particular computer. Thus, majority purchase decision is made with the help of the information given by friends or peer group of consumers.

Newmann and Werbel (1974)\textsuperscript{13} were much interested in some new findings on automobile brand loyalty. Though brand loyalty is a subject of high interest to marketers, the empirical research on it has been limited especially to consumer durables. A new measure of loyalty was compared with the traditional repurchase definition, and significant influences on loyalty were identified by multivariate analysis.

The data analyzed for the above study were from 217 households, which had bought a new car in 1967 or 1968. The respondents were adults from a probability sample of 1300 households in the United States, excluding Alaska. The findings revealed that the probability of loyalty was higher than average for persons who attended but did not graduate from either high school or college who were in occupations of low to medium skills who bought cars frequently; who tender to be optimistic and who were satisfied with their cars.

However, in this research the researcher has found out that 40.7 percent of the total respondents are graduates. This study does not focus on the brand loyalty, however the brand possession reveals that majority of the respondents own HP brand.

2.14. Expenditure on Computers

A person's gender might have an effect on one's expenditure on computers. Earlier studies have shown that male- and female-headed households vary in their spending on goods and services. For example, Newman, Henchion, and Matthews (2001) found that female-headed households were more likely to purchase prepared meals than male-headed households. However, female-headed households spent less than male-headed households on the purchase of prepared meals. Hence, the effect of gender differed in regard to the probability of purchase

of prepared meals and the amount spent on prepared meals. In regard to products that were related to technology, female-headed households were found to be less confident about information technology than male-headed households (Rockbridge Associates and Parasuraman 2001).

This study expected that the gender will have a similar effect on computer purchase and the amount spent because computers are a technology-related product. Similar to the above literature in this study area the researcher has found out the impact of the technology in the male headed households than the female headed households. It also shows the connection with the socio economical status of the respondents. The analysis reveals that the respondents who are in the low level of socio-economic status have spend Rs. 20000 and less than that as initial expenditure for their computer. The respondents who are in moderate socio-economic status have spent between Rs. 20001 and Rs. 40000. The respondents who are in high level socio-economic status have spent above Rs. 40001 as initial expenditure for their computers. It is observed that higher the socio-economic status higher the affordability in initial expenditure.

Previous research has shown that race and ethnicity influence consumers' tastes and preferences and, consequently, cause differences in spending patterns (Fan 1998). White households spent more than black and Hispanic households on all types of expenditures except for public transportation, personal care, and food at home (Acs and Sabelhaus 1995). In contrast, black households spent a smaller portion of their income on health care than nonblack households (Acs and Sabelhaus 1995).

Although we are not aware of empirical research on the effect of race and ethnicity on computer expenditure, descriptive statistics show that the ownership rates of computers increased for all racial groups between 1990 and 1997. Asian households had the highest rate of ownership and increase in ownership, followed by white households. Although ownership of computers by black households increased from 7% to 18%, they had the lowest ownership rate among all the groups (U.S. Department of Commerce, Bureau of the Census 2001). Schmitt and Wadsworth (2002) found that white households were more likely to own
computers than households of other races (black, Hispanic, and other). This conflicts with Census Bureau data, which showed that Asian households had the highest rate of ownership. Although it is not clear, there is some speculation that the proportion of Asian households might have been too small in the study by Schmitt and Wadsworth (2002) to be categorized as a separate group.

Based on the current descriptive statistics, the researcher without focusing on the race and ethnicity, he has focused only on the economic status of the respondents and found out that there is a significant difference with the economic status and the expenditure on the computers. Since, the level of significance is less than 0.05 it can be stated that higher the socio-economic status, higher the ability on initial expenditure on computers. Thus, the level of initial expenditure is significantly associated with the level of socio-economic status of consumers.

Education may be another factor that affects computer expenditure. Paulin (1995) found that consumers with more education spent more on food away from home. Studies on health and personal care have shown that households headed by an individual with less than a high school education spent less than households headed by an individual with a high school diploma (Cage 1989; Paulin 1995). In particular, Cage (1989) found that individuals with less than a high school education spent less on reading materials, occupational expenses, and personal insurance and pensions than individuals with a college education or advanced education. Being aware of the preference of those with more education for more health and personal care, reading materials, occupational expenses, and insurance and pensions, we hypothesize a positive relationship between education and spending on computers.

Generally, the more income a household has, the more of any goods or service it can afford to purchase (Paulin and Dietz 1995). Thus, income may be one of the more important determinants of household expenditures. Income has been found to have a positive relationship with many types of expenditures including apparel, food, health care, and entertainment (e.g., Fan 1998; Gray 1992; Paulin 2000). Income is likely to influence computer expenditure positively. In the year 2000, the computer ownership rate for households with income less than
$25,000 was 34% compared to 88% for households with incomes of $75,000 or more (U.S. Department of Commerce, Bureau of the Census 2001).

Therefore, this study expected the following relationship between income and expenditure on computers. Income is an important factor that would motivate consumers to go for different level of product. Thus, Chi-square test has been used to find out the relationship between Family Income and Initial Expenditure. It was found out that, the level of significance is less than 0.05 it can be stated that higher the income of the consumers higher the ability to spend initially on computers. Initial expenditure is significantly associated with the level of income of the consumers.

Another factor that could influence expenditure on computers is computer ownership. Many computer owners anticipate further cost beyond the initial purchase of their computer hardware and software. Computer owners might want to replace an old computer, or they might want to own a second or a third computer (Rosenberg 2001). For example, additional costs might include associated peripherals, printers, and antivirus software for security needs. Although it appears that the relationship between computer ownership and expenditure on computers should be positive, there could be instances when a computer owner does not feel a need to upgrade from their current computer. Therefore, this hypothesized relationship is stated with some reservation.

Computer requires variety of components for effective functioning. Floppy disk, compact disk, drives; ribbons and software are important features that enable the consumers benefit the best. Maintenance is inevitable for every electronic product. The analysis revealed that a little more than half (50.6%) of the consumers frequently spend money on their computers. Nearly half (46.5%) of them have expressed that they spend mostly on buying compact disks. More than one third (40.9%) of them spent on software. Thus, it could be concluded that regular expense occur to capacitate a computer and to benefit from it. Compact disks and software are the components on which consumers spend frequent money.

In this chapter, the researcher has shown the evidence of literatures, which is related to the study, the researcher has attempted to find out the various gaps in
the earlier literatures and tried to fill up those gaps from the study, which will be shown in detail in the chapters 4, 5 and 6. This review of literature shows new areas for further exploring in the field of household computers.