CHAPTER 3

THEORETICAL FRAME WORK AND LITERATURE REVIEW

3.1 INTRODUCTION

This chapter has two sections. The first section relates the broad theoretical framework of the study of consumer behavior and the later section discusses in detail an appraisal of the earlier studies related to the topic of the study.

3.2 THEORETICAL FRAME WORK

The Study of Consumer Behavior is the study of how individuals make decisions to spend their available resources (time, effort and money) on consumption related items. A simple definition by Leon G. Schiffman and Leslie L. Kanuk (2002). Consumer behavior is necessarily concerned with understanding consumer behavior and help gain insights into consumption related ways and with learning what internal and external influences impel the consumers to act in a particular way. Consumers are broadly segmented on the basis of common needs or characteristics. Eight major categories of consumer characteristics provide the most popular basis for market segmentation and they include geographic factors, demographic factors, psychological factors, socio-cultural variables, use-related characteristics, use-situational factors, benefits sought and hybrid segmentation. The
consumer is becoming more aware and self-assured shopper. One reason is the greater accessibility of information and shopping options.

Clyde Kluckhohn (1951) states in the context of marketing; the study of consumer behavior is the artifacts of the material culture and would include all the products and services, which are produced and consumed.

George P. Moschis and Roy L. Moore (1985) have expressed that consumer behavior differs highly among different groups, and this may be attributable to socialization processes that operate differently among different culture or sub-cultures.

### 3.2.1 The Stages in the Buying Decision Process

The consumer passes through five stages in the buying decision process. Problem Recognition, Information Search, Evaluation of alternatives, purchase decision and post purchase behavior.

### 3.2.2 Problem Recognition

The buying process starts when the buyer recognizes a problem or need. The buyer senses a difference between his or her actual state and desired state. The need can be triggered by internal or external stimuli. A person’s normal need – hunger, thirst, sex rises to a threshold level and becomes a drive, an instance of an internal stimuli. In the case of an external stimulus, a need is aroused by external factors.

James F. Engel and Roger D. Blackwell (1982) have stated Problem recognition result when a consumer recognizes a difference of sufficient magnitude between what is perceived as the desired state of affairs
and what is the actual state affairs, enough to arouse and activate the decision process.

### 3.2.3 Consumer Information Acquisition

An aroused customer will be inclined to search for more information. A milder search state is called the heightened attention, and an intense search is called the active information search. Consumer information search falls into four groups: personal sources, commercial sources, public sources and experiential sources.

The relative amount and influences of these information sources vary with the product category and the buyer’s characteristics. Generally speaking, the consumer receives the most information about a product from commercial sources – that is market-dominated sources. But, the most effective information comes from personal sources. Each information sources performs a different function in influencing the buying decision. Commercial information normally performs an informing function, and personal sources perform a legitimizing and/or evaluating function. Consumer behavior studies also focus on how consumers heard about the brand, what information came in later, and the relative importance of the different sources.

### 3.2.4 Evaluation of Alternatives

There are several decision evaluation processes, the most current models of which confirm that the consumer evaluation process as cognitively oriented, which is they see the consumer as forming product judgments largely on a conscious and rational basis. Some basic concepts that help understand consumer evaluation processes: First, the consumer is trying to satisfy a need. Second, the consumer is looking for certain benefits from the
product solution. Third, the consumer sees each product as a bundle of attributes with varying abilities of delivering the benefits sought to satisfy this need.

Consumers differ as to which product attributes they see as most relevant as well as on the importance of weights they attach to each attribute. They will pay the most attention to the attributes that deliver the sought benefits. The market for a product can often be segmented according to the attributes that are salient to different consumer groups.

### 3.2.5 Purchase Decision

In the evaluation stage, the consumer forms preferences among the brands in the choice set. The consumer may also form an intention to buy the most preferred brand. However, two factors can intervene between the purchase intention and the purchase decision. The first factor is the attitudes of others.

The second factor is unanticipated situational factors. A consumer’s decision to modify, postpone, or avoid a purchase decision is heavily influenced by perceived risk. The amount of perceived risk varies with the amount of money at stake, the amount of attribute uncertainty, and the amount of consumer self-confidence. Consumers develop routines for reducing risk, such as decision avoidance, information gathering from friends, and preference for national brand names, and warranties. In execution a purchase intention, the consumer may make up to five purchase sub decisions, namely the brand decision, retail outlet decision, timing decision, and payment–method decision. (cash / credit)
3.2.6 Post Purchase Behavior

After purchasing the product, the consumer will experience some level of satisfaction or dissatisfaction. The buyer’s satisfaction is a function of the closeness between the buyer’s product expectations and the product’s perceived performance. If the product’s performance falls short of customer expectations, the customer is disappointed; if it meets customer’s expectations, the customer is satisfied; if it exceeds expectations, the customer is delighted. These feelings make a difference in whether the customer buys the product again and talks favorably or unfavorably about the product to others.

3.3 LITERATURE REVIEW

The review of literature relating to earlier studies is as follows. The review has been presented under the following sub-titles

- Replacement of Durables
- Customer Expectations
- Studies on Lifestyle
- Product Factors
- Elements of Service/Service Factors

3.4 STUDIES ON REPLACEMENT OF DURABLES

Studies pertaining to replacement of purchase of consumer durables in Indian context are scarce. The researcher has made an intense study of available literature relevant to the research undertaken. A brief report on the sample literature reviewed by the researcher is presented in this section.
Davis and Rigarux (1974) has explored the relative influence of the husband and wife during three major phases in purchasing namely, the problem recognition, search for information and the final decision in the purchase of products. Filiatrault, Pierre and Brent Ritchie (1980) while exploring the joint purchase decisions indicate in their studies the growing influence of children on their parents purchase behaviour in a wide variety of product ranges.

Gregory S. Carpenter (1983) quotes price, promotion and information oriented advertising both encourages and discourages switching. For the most part, it increases buyer inertia or loyalty, suggesting that such advertising increases re-purchase rates and reduces switching. And in some cases, advertising may provide buyer with additional price-oriented information encouraging switching.

Gregory S. Carpenter et al (1985) in his research confirms that within repeaters, sub-categories such as early versus late adopters or light versus heavy buyers etc., exist. The market diffusion models based on homogeneity for consumer characteristics among the potential buyers only provide how the market is in general, but cannot provide insights into variance in buyer behavior.

Barton (1989) in his research on family consumption behaviour has tended to divide family activities into three spheres: consumption, purchasing and decision-making.

Hudson and Murray (1990) emphasized that emotional desire often overrides utilitarian moves even for highly functional commodities such as household appliances. Consumers often have to cope with complex high risk
decisions that involve a sizeable outlay of money, within a short period of time and without extensive information seeking.

Bayus (1991) has reported that early replacers generally have high incomes and are concerned with brand styling and image, whereas late replacers have high educational and occupational status and are concerned with cost-related product attributes. In addition, search activity and usage of mass media sources differ across replacer segments. Demographic characteristics are also significantly related to the timing of replacement purchases.

The studies by Chintagunta and Gupta (1992) reveal that a firm usually wants to target marketing communications to specific households within identified segments. This requires that observable demographic information be used to determine homogenous segments and households be classified on the basis of their demographics.

Alet C Erasmus (1993) report that the most pervasive and influential assumption in consumer behavior research is that purchases are preceded by a decision process. He asserted that information processing was often performed with previously acquired and stored information. This implies that consumers probably proceed through the decision making process much quicker than in suggested / proposed by traditional models of consumer decision-making.

Oliver, Rust, Baohong Sun et al (1997) quotes the positive effects of very satisfied or delighted consumers on repeat purchases behaviour and has been demonstrated for both products and services.
Ozanne (1998) in his research report concludes that due to frequent introduction of enhanced products, consumers buying high-tech products often experience regret over past purchases, hesitation over upgrading and anxiety about the future.

A study by Namnoon Kim, Rajendra k Srivatsava and Jui K Han (1999) reports that repeat purchase models describe repeat purchase phenomenon as a function of product attributes, marketing efforts of firms and word-of-mouth impact. Typically, these models divide the population of potential buyers into several homogenous groups according to purchase status – for example, non-repeaters and repeaters. The aggregate brand switching of buyers from one brand to another is based on relative prices, advertising and utility yielding features of each alternative. Promotions, in general influences consumer choices; that is they cause customers to switch from say Brand A to Brand B.

According to Timothy B. Heath (2000) the understanding of how earlier choices and ownership influence subsequent choices where competitor’s attack and defend turf through changes in products, price and promotion necessitates to expand theories to recognize the many forces at work in such complex settings, and then subject these forces to rigorous empirical test. This study moves toward that goal by addressing a phenomenon commonly reported in studies of secondary purchase data. Consumers of store brands switch to discounted (price-reduced) national brands more than consumers of national brands switch to discounted store brands.

An empirical study by Bayus (2003) may be one of the first papers to understand the timing of consumer replacement purchases (Early Vs. Late)
and function of household characteristics, consumer attitudes and perceptions, and search activities.

According to Veronica Liljander (2005) many of the objections against traditional consumer decisions, refer to the fact that consumers do not necessarily embark upon extensive, active, cognitive, realistic and goal directed decision making behaviour when purchasing complex high risk consumer products. Rather than generalizing complex consumer decision making, he suggested that a study of consumer decision making behaviour should be context specific and product specific to provide new insights in the domain of consumer science.

The literature reviewed above indicate major inadequacies in the following areas:

Categorization of replacement buyers on the basis of drivers to replacement purchase.

Identification of the expectation - satisfaction gaps in replacement purchase of the consumer durables chosen for the study.

Analysis of relationship between pre-owned brands and replaced brands.

Finding out the extent of influence of the sources of information and individuals in the replacement purchase. The present study is an attempt to close the gap identified.
3.5 STUDIES ON CUSTOMER EXPECTATIONS

A successful organization strives to meet customer expectations through continuous improvement of its processes, people and products focusing on consumer satisfaction. George S. Day and David A. Aakar (1970) found that, ‘The public is staging a revolt of rising expectancy. Customers today expect products to perform satisfactorily to provide dependable functional performance. The threshold of acceptable performance is steadily on the increase’.

Rolph E. Anderson and Marvin A. Jolson (1973) have identified reasons for rising customer expectations. ‘Younger, wealthier, better educated and more sophisticated consumers are less tolerant of gaps between promotional promises and product performance. The expectations customers have about a particular product are derived from information gathered from a variety of sources. Past experience, personal acquaintances and the promotional communication of sellers are the common sources of product information. The information often given is inaccurate, misleading and inadequate which is the major reason for customer irritation and dissatisfaction’.

Robert E. Sabath (1978) found that ‘customer demands are often much costlier than the circuits of in-house criteria’.

John J. Franco (1990) in his study showed what customers really expect from their supplier. According to the study, ‘The study aimed at finding about what customers value the most in a buyer/seller relationship. The response evaluated four different areas of customer satisfaction. They are the sales organization, sales people, customer service personnel and finally the product or service. Six factors emerged as key components of customer
satisfaction; Business Expertise and Image (29%), Dedication to customer requirements (25%), Account Sensitivity and Guidance (23%), Product Performance and Product Quality (10%), the Services of the Customer Service Department (9%) and Confirmation to Capabilities (4%). The study covered customers from 7 different industries, from providers of high technology, financial services, business equipment, business services, pharmaceuticals and chemicals.

Dr. Barrie Hopson and Mike Scallt (1991) states, ‘the secret of business is to just exceed what your customer expects. The old pursuit used to be customer satisfaction; it should not be “that little more” which result in customer pleasure or delight’.

Adrain Payne (1995) notes ‘Organizations need to know explicitly and in depth exactly what each customer is buying and every customer is different and how it can continue to offer additional satisfaction that will differentiate its offering. Essentially, the only way to change a customer from buying certain brands to another or for repurchase is to replace customer satisfaction with customer delight, by offering service quality that exceeds expectations’.

3.6 STUDIES ON LIFESTYLE

Milton Rokeach (1968) has stated that ‘lifestyle in concerned with an individual’s deeply held values, which are not likely to substantially change over time’.

Alfred Adler (1973) points that every person strive to be superior to the other and that there are innumerable ways of doing it. One person tries to
become superior than the other through developing his/her intellect, while yet another bends all of his efforts to achieving muscular perfection. The intellect reads, studies and thinks. He lives a more sedentary and more solitary life than the active person does. All of a person’s behavior springs from his style of life. The person perceives, learns and retains what fits his lifestyle and ignores everything else. Thus, the individual desire to maintain or enhance lifestyle. In the light of this definition, lifestyle according to hi, play a ‘dual role’.

Another study by Anthony F. Bushman (1974) has suggested that there is considerable power in systematically studying the comprehensiveness of lifestyles for segmenting markets for new products. The study sought to examine as to what was wrong using demographic factors alone for market segmentation. He used the term ‘systematic’ to convey a more comprehensive and methodical consideration of the multi-dimensional nature of lifestyles than what was implied by the Activities, Interests and Opinions (AIO) methodology. According to him, the term ‘systematic lifestyle analysis’ was defined as a ‘multi-dimensional systems approach using quantified measures in an attempt to describe and understand market segments, consumers attitudes and their patterns of living, their personal values, personality traits and decision sets the environment related to the resolution of consumer desires’. He felt that the customer environment had a number of facets and each of these could be methodically studied. In general, ‘the study advocate quantified analysis in preference to qualitative analysis’.

Fieldman Saul and Theilbar (1974) have defined lifestyle from a sociological point of view, in terms of four characteristics. First, lifestyle is a ‘group phenomenon’. An individual’s lifestyle is influenced by ‘Participation in social groups and relationships with others’. Second, lifestyle ‘pervades many aspects of life’ and commits one to a certain consistency of behavior.
Third, lifestyle implies a ‘central life interest’. To cite a few of the ‘central life interests’ that go into the making of an individual’s lifestyle are the family, work, leisure education, religion, et al. Fourth, lifestyle vary according to ‘sociological relevant variables’.

Joseph T. Plummer (1974) used Activities, Interests, Opinions and demographics for lifestyle identification commonly referred to a the AIO framework. The AIO framework consists of the following;

William D, Wells (1975) has opined that the concept of lifestyle has resulted from a ‘Merging of the objectivity of the personality inventory with the rich consumer oriented descriptive setail of the quantitative motivation, research investigation or the psychoanalytical theory’.

Hughes G. David (1978) described Lifestyle variables. ‘tend to include behavioral mode of living variables that are determined by social forces’. They include activities, buying styles, cultural values and interests. The lifestyles are closely related to consumer decision process. Marketers have developed several models of consumer relationship between lifestyles and consumer decision process. Lifestyles and consumer purchase decision are ‘mutually dependent and a variation in one will bring adjustments and changes in the other’.

Philip Kotler (1983) defined lifestyle patterns as a ‘system concept’ and referred to it as a distinctive mode of living in it aggregate and broadest sense. According to him lifestyle also embodies’ patterns that develop and emerge from the dynamics of living in a society’. Various researchers have viewed lifestyle in different connotations.
Del I Hawkins, Best and Coney (1986) expanding the above finding, feel that this dual role is played firstly, as a ‘basic motivator’ for many of the purchases and use related activities and secondly, as ‘the initiator of new consumer decisions’, which emerge because of changes in lifestyles. The maintenance and enhancement of lifestyle is manifested in the consumption of high involvement products. It also, however, influences, directly or indirectly, the consumption of many low involvement products. The changes in lifestyles bring in new consumption related problems and along with opportunities. These changes in an individual may be gradual or dramatic and sudden.

In a study on Lifestyle, Eugene J. Kelly and William Lazer quotes, Lifestyle is concerned with ‘those unique ingredients or qualities, which describe the style of life of some culture or group and distinguish it from others’. He also states that lifestyle is the manifestation of one’s self-image or self-concept that develops as a result of the culture one lives and the individual situation and experiences that one comes across in his or her day-to-day life. It is in sum, the conscious and unconscious way in which one lives.

Thomas P. Novak and Bruce Mac Evoy (1991) compared two alternative segmentation schemes; the ‘Values and Lifestyles’ (VALS) and the ‘List of Values’ (LOV). The analysis was extended to evaluate the role of a set of standard demographic variables with respect to both the psychographics segmentation systems. The study concluded that a regression model using the demographic and LOV was superior to that of using only the VALS model.
Joseph Pine B., Don Peppers and Martha Rogers (1995) states, ‘A company that aspires to give customers what exactly customers wants must look at the world through new lenses. It must use technology in products to become two things; one, customization that efficiently provides individually customizes goods and services, and another, the one-to-one marketer that elicits information from each customer about his or her specific needs and preferences. Customization and one-to-one marketing together is called earning relationship, and ongoing connection that becomes smarter as the two interact with each other, collaborating to meet customer’s needs over a period time’.

Susan P. Douglas and Christine D. Urban (1997) observed lifestyle studies thus: ‘lifestyle studies build up the profiles of the consumers in terms of their daily life patterns, work habits, leisure activities, their interests and self-perceptions, their aspirations and frustrations, their attitudes towards their families and others and their beliefs and opinions about the environment around them; it adds flesh to the bones of the demographic consumer profiles and reveals how products are used, what they mean to the consumers and how they fit into the fabrics of everyday life’.

Alan Bush, Menon and Smart (1987) studied on media habits of Do-It-Yourselves (DIY) consumers, a novel kind of classification of lifestyle. The study found that the active Diyers were significantly different from the non-DIYers in terms of age, sex, home ownership, income and marital status. The Diyers were found to be younger than the non DIYers. It was found that DIYers were more likely to read newspaper as compared to non-DIYers, they tended to be heavier listeners of classical, country and western music, were easy listeners to radio programs, but, however infrequent viewers to cable Television. Dramatic differences were found between DIYers and non-DIYers in specific magazine readership. The study concluded that the DIYers
represented a more promising segment for the advertisers because the segment takes pride in self-education and display opinion leadership traits.

3.7 STUDIES ON PRODUCT FACTORS

Most Marketing Executives and scholars agree that buyers purchasing a product are intent on securing a ‘bundle of satisfaction’. The bundle consists of two major elements that are directly associated with satisfaction; the product and the service.

Allison (1964) to quotes from his study, ‘among other things, Brand Image has offered the base for evaluating competitive products’. Gordon and Lee (1972) emphasized, ‘the consumer ha become quite dependent on brand name. Manufacturers have attenuated and stimulated this dependency by spending billions of dollars on advertising, which constantly keeps the brand name before the consumers’.

Gordon and Lee (1965) have pointed out that the total product in a broad sense includes all features and conveniences, for which a consumer pays.

Myers and Alpert (1968) have identified the attitudes and predispositions of consumers towards the choice of products. In automobiles: power, comfort, economy, appearance and safety are the values that are silent in decision- making. They have found only certain features of a product are closely related with preferences, while the other features remain silent or are immaterial in decision-making. Features, which are closely related to preferences are said to be determinants.
Alpert (1974) has attempted to measure how important are various attributes in the purchase of a pen. He has ranked the order of preferences as:
1. Writing Smoothness
2. Writing Appearance
3. Holding comfort
4. Comfort
5. Durability
6. Refilling
7. Life Span.

Generalizing quality across products has been difficult for managers and researchers. Specific attributes differ widely across products, as do the attributes that consumers infer to quality. Even, within a product category, specific attributes may provide different signals about quality. However, Steven (1975) advocates that product quality can be captured in eight dimensions: Performance, Features, Reliability, Conformance, Durability, Service Ability, Aesthetics and Perceived Quality.

Cairelli (1976) has established in his study, the priority given to visual design by consumers in their choice of products. Product appearance often gains precedence over structural and functional design. In a study on washing soaps by Kaurshal et al., has proved that brand loyalty is based on the following features: price, lather formation, package, availability, convenience and safety of skin. The study further points that educated people decide the quality based on lather formation while the illiterate accord priority to price over other features.

Reynolds and Gutman (1984) have identified over sixty attributes that can be ascribed to the purchase of automobiles. However, consumers make evaluation based only on a limited number of attributes. According to him, buyer evaluation of automobile purchases is in terms of preferences to interior space, durability, fuel economy, warranty and price. The style and comfort are also included to the list by some customers.
Erickson and Johansson (1985) have investigated the various attributes involved in the purchase of automobiles: the preferences of consumers are to, price, acceleration, mileage, safety, driving comfort, passenger comfort, reliability, durability, workmanship, style and color. It was found that price was loaded highly to the quality factor, indicating an intertwining belief of price with judgment about quality.

Gerstner (1985) in his study has proved that ‘quality-price relations are product specific with frequently purchased items displaying weaker relations than non-frequently purchased items. It has been observed that price-quality relationship runs in both directions. In a prefect market, there is a strong positive relationship between product quality and price’. His further work on quality-price association conducted on more than 120 different durables and no-durables indicate the quality-price relationship is product specific.

Datta Majumdas (1987) has studied on the product factors that are important to consumers in the purchase of refrigerator. Quality and reliability are the important factors according to the study. However, features like size, shape, finish and paint also influence the choice of a refrigerator. In the case of a lesser durable like the steel almirah, Manmohan Singh and Prabhakar (1988) have pointed that the factors considered in the choice are brand, color, inner space, price and finish.

Curry and Riesz (1988) have established that the association between price and perceived product quality directly influences consumer purchase behavior. Reduced correlation between price and quality levels over time suggests that as pricing flexibility declines, competition may occur in the form of promotional expenditure rather than in relative quality improvement. In purchase of durables by consumers, product design, features and
competition tend to stabilize over price. Thus, according to him, consumers’ choice of a product would be in such a way to maximize the product value in terms of its appearance (product appearance), performance, durability, quality, features, and safety et al. that contribute greatly to the value of a product either individually or jointly.

In a study of consumes to Allwyn Trendy watches by Jagadish et al (1990) has found that consumers were highly satisfied with the features such as design, color, performance, accuracy, lightweight and price.

According to Zirger and Mardique (1990), in their study over factors of new product, have concluded that new products must provide significant value to the customer. Value can be superior to technical performance, product characteristics, cost, unique features, product quality and reliability. All these, either singly or in combination get translated into a product that assures a greater value to the customer.

Rosabeth Moss Kanter (1991) in his study had surveyed 25 countries to determine the importance of product quality on customers. The study shows that product quality, often involving close relationships with customers and suppliers is highly ranked in almost all countries.

Mahesh (1993) explains that quality alone does not improve the market share of a product but a lot depends on the rate of customer retention/defection. Research shows that it costs six times more to get a new customer as it does to retain an existing customer. Companies that rightly focus their energies on retaining customers know that the true measure of quality is not zeroing effects but zero defection.
Anjan Raichandari (1994) highlighted that ‘sale is not the end of the transaction’. Customers select a product on the following basis: (1) Identification of attributes with which they differentiate product or service (2) Rating the company as well as major competitors according to such attributes.

In a study by Anjan Raichandhari (1994), she points, customers in order to differentiate factors, identify factors, which are market-related, product-related and finance-related. Customers also identify where improvement is needed in comparison with competitors. The absence of factors such as on-time delivery and competitive price has the potential of irritating customers. Hence, these can be termed as the Hygiene factors. The other factors namely the quality, aesthetics, product design etc., are termed as Motivators that can cause unexpected happiness or delight to customers and bind them to the company or the supplier. In a competitive market, long-term success hinges on the presence of hygiene factors and competitive advantage rests with the package of motivators that a company can offer to its customers.

High customer satisfaction should indicate loyalty for current customers, reduced price elasticity, insulation of current customers from competitive efforts, lower costs of future transactions, reduced failure costs, lower cost of attracting new customers, and an enhanced reputation for the firm. Increased loyalty of current customers means more customers will repurchase in the future. If a firm has strong customer loyalty, it will be reflected in the firm’s economic returns because it ensures a steady future cash flow.
Venkatraman (1981) has found ‘higher price may reflect either a high demand for superior quality product or high production costs associated with high quality or a high selling cost. Therefore, price-quality relationship cannot be generalized. But, it is true that price, without other cues, is an effective factor in perceiving quality’. Lichtenstein and Burton (1989) in their study of 18 products have established a positive but not strong correlation between the perceived and objective price-quality relationship.

Venkatraman (1981) proved that, ‘in the case of durable products consumers would choose a known brand over an unknown brand regardless of price’. Balram Singh et al (1986) has stated, ‘the value assigned to television is influenced mainly by brand name duly supported by quality, price, design and after sales service. Mehta (1975) quotes, ‘consumers’ judgment of quality is more influenced by brand name than by price’.

Bruce Corner (1994) has observed in his study that customer satisfaction is rather a surprising one. To prove his argument right, he presented a ‘pop-quiz’ and the responses obtained were diverse when compared to standard. According to him, customer satisfaction does not mean doing whatever it takes to keep the customer happy, but the most important factor is the perceived value by the customers of the offering.

Vimala Sukumar (2001) has identified ‘20 ways to increase customer loyalty and improve the prospects of keeping customers longer. Individually no listed item has been found to be particularly potential. Only when they are used in significant clusters do they make a noticeable impact’.

John William Felix (2002) has made a detailed research study to recognize and identify priority of the product values attached to consumer durables particularly to Refrigerators. It has been evinced value of quality
depended on quality, durability, technology, economy and status. Similarly
economy was found to depend on durability, availability, economy, status,
physical characteristics and guarantee. Durability depended on quality,
technology, economy and status. The value of physical characteristics
significantly depended on the perception of durability, availability,
technology, physical characteristics and status.

3.8 STUDIES ON ELEMENTS OF SERVICE / SERVICE FACTORS

Customer Service until recently was seen as a mere activity and
sales organizations did not attach much importance to it. The selling of the
product was construed as an important activity and the sales manager’s work
stopped there. However, of late ‘after sales service’ is gaining importance. It
has grown in dimensions and today the customer service department has
become a marketing function of its own and is independent of operation and
sales. It is no longer an extension of the sales function.

Rosetta Riley (1991), Director of Customer Service of the General
Motors explain ‘ that in order that the company is thought of to value
customer services, the communication gap between the company and the
customer is to be bridged and Quality is made the responsibility of every
employee ’.

David L. Stum and Ronald P. Church (1990) modeled a baseball
type structure of four bases to be adopted by the company that wants to make
a complete effort in customer service and satisfaction. At the first base are the
service employees who are trained in customer handling. Steps are identified
and trainers develop standards of performance for each of the service
employee. The second base refers to the supervisor’s ability to coach the
service employee on customer handling. The supervisors should be able to measure, evaluate and reward service employees on customer handling. The third base refers to the service environment. Environment refers to presence of communication systems, effective use of space for service delivery; invent oriented items and organization of resource materials. Employee surveys, customer surveys and external analysis help in fixing the right environment. The fourth base refers to the organizational practices, which should aim at improving customer service.

Fiana Gibb (1995) recognizes the importance of understanding customer expectations and she reiterates the skill sets that are necessary for service personnel. She quotes that sales people should possess the following skills: Basic Skills, Research Skills, Listening Skills, Inter-personal Skills, Team Selling Skills, Motivation, Positive Thinking, Self Esteem and Alternative Disciplines.

Morris A. Cohen and Hau L. Lee (1990) investigated superior after sales service can increase both first time and repeat sales and thereby increase market share.

Pratibha A. Dabhaolkar (1995) has made a study to determine whether evaluations of service should be measured as customer satisfaction or service quality per se and whether it makes a difference which type of evaluation is used.