Chapter III

Conceptual Framework of consumer behaviour
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CONCEPTUAL FRAMEWORK OF CONSUMER BEHAVIOUR

3.1 INTRODUCTION

Consumer behaviour refers to the act of individuals who are directly involved in obtaining and using goods and services. It also includes the decision-making process, which leads to the act of purchase. Consumer behaviour is not only the study of what people consume but also here how often, and under what conditions. Consumer behaviour has no history or body of research of its own. It is a new discipline that borrows heavily from concepts developed in other fields such as psychology (study of the individual), sociology (study of groups), social psychology (study of how an individual operates in groups), anthropology (the influence of society on the individual), and economics. Several early theories related to consumer behaviour were based on the economic theory, on the notion that individuals act rationally to maximize their benefits in the purchase of goods and services. Marketing describes a mutually beneficial relationship between a consumers play an important role in the economy. They form the largest economic group in any country. They are indeed considered the pillars of the economy. The producers have to understand their tastes and preferences and produce goods that help them satisfy their needs. Consumer behaviour is at the core of the marketing function. The concept is difficult to understand, but it is important for efficient and effective marketing. Consumer behaviour consists of actions, reactions, and responses in relation to the products bought and services sought. Factors such as personality, perception, attitude, and learning on the one hand and the product, price, physical attributes, advertising and societal influence on the other shape the behaviour of consumers. Therefore, the marketer has to comprehend these elements for better understanding of the consumer. Interestingly, consumer reactions to marketing are often low-key and passive. In many instances, the consumer is not prepared to get back to the trader or supplier to redress his grievance in relation to a product.
3.2 CONSUMER BEHAVIOUR

Consumer is that foundation of every business. What consumer sees, thinks, prefers, and buys is of great importance to marketers to fine tune their marketing offers and achieve high level of consumer acceptance and satisfaction. The emergence of rural market as a viable proposition has sparked a new interest among marketers to explore and understand them (Lalitha Ramakrishnan, 2005).

3.3 BASIC MODEL OF CONSUMER BEHAVIOUR

The basic model of behaviour applicable to all consumers is shown in below Fig.3.1
FIGURE 3.1 BASIC MODEL OF CONSUMER BEHAVIOUR

3.3.1 MARKETING MIX

(i) Product

Managing the product includes planning and developing the right products and services to be marketed by the company policy strategy guidelines are needed for changing the existing products, adding new ones, and decisions are needed regarding branding, packaging, colouring standardizing and other product features.

(ii) Place

Under this, the marketers should select and manage the trade channels through which it wants the product to reach the market at the right time. He is also required to develop a distribution system for physically handling and transporting the products through these channels, viz, the intermediaries. Each type of goods requires a special kind of transportation mode and special kind of warehousing.

(iii) Price

The marketers is required to determine the basis for fixing price of its goods and then establish policies for dealing with discounts, freight payments and other price related situations.
(iv) Promotion

The marketers must inform and persuade the market (customers) regarding company’s products. Advertising, personal selling and sales promotional activities.

3.3.2 Stimuli: Internal and External

Stimuli can arise internally or externally. Internal stimuli originate from the individual self. One may feel the need for food (natural phenomenon) or for an elegant dress on observing friends (social comparison). External stimuli are caused by marketing offer or by environment. The marketing stimulus consists of four Ps: Product, Price, Promotion and Place. The stimuli from environment may come from one or more of the factors or events in socio-cultural, technological, economic, and political environment. These factors induce a consumer to think about purchasing a product.

(A) Socio-Cultural Factors

The socio-cultural factors, which influence a consumer, include social class, groups, family role, status and sociability.

Culture: Basic cultural values have not faded in rural India. Many rural purchases require collective social sanction, unheard of in the urban areas. Buying decisions are highly influenced by social customs, traditions, and beliefs. Social norms influencing individuals are more visible. Caste influences are direct and strong. However, the rural youth are more open to fresh concepts unlike their elderly family members. They are better educated and have aspirations similar to those of the youth of urban India. Rural consumers being conservative in their outlook, take longer time to be influenced. They do not take quick decisions. They discuss the issue of purchase with other villagers and the headman. Decision-making is thus a collective and time-consuming process.

Social Class: Social classes in rural areas are difficult to define for two reasons. Occupations are not the same throughout the year. (b) Incomes are understood. Many farmers and artisans receive cash and kind as their remuneration.

However, the upper and middle-upper class segment of rural markets is positively responding to the stimuli offered by marketers of premium products (Richard, 1983).
(iii) **Group:** Humans, being social animals form groups and develop behaviours with reference to groups they like. Associated groups are the groups to which a consumer belongs as a member. They are:

Primary groups—in which there is a regular and informal interaction, for example, family, friends and neighbours. Secondary groups—in which the interaction is formal and less regular, for example, offices, political groups, and self-help groups.

Reference groups are aspiration groups, which serve as guideposts to shaping the attitudes and behaviour of consumers. For instance, sports teams and culture associations can be reference groups to the rural youth. Opinion leaders are those people, who, by virtue of their competence or acceptability wield influence on others. They are well informed and reliable in their opinion. As such, opinion seekers and followers seek them. In a village, opinion leaders can be asarpanch, a teacher, a bank manager, a village development officer, a doctor, a manual youth extension officer or a social worker (Rebecca Gardyn, 2000).

(iv) **Family:** Family is an important consumer-buying organization in consumer markets. Family size and roles played by family members exercise considerable influence on purchase decision. In a family, the male head makes the decisions in most of the cases.

(v) **Role and Status:** Every person is a member of more than one group or organization. In each one of them, the individual has a role and status. Role refers to the behaviours expected of the individual as a member of the group. Status refers to the place given to the individual because of his or her position or achievements. It reflects the general esteem given to him/her by society. High-income group people to reflect their status use premier products. A sarpanch and head master enjoy a higher status in a village, people trust them and expert them to be exemplary. Accordingly, they try to make sound purchase decisions and provide rational advice to the people who seek their opinions.

(vi) **Sociability:** In the rural areas, individuals are known and identified better, despite the universality of personal identification and touch in rural areas, the sociability levels are low. Rural folks have limited personal interactions. Their exposure to people and information is less. However, there are more frequent interactions between the same people.
(B) Technological factors

Technology has an impact on the occupations and life styles of the rural people. Occupations like agriculture, dairy, poultry, and animal husbandry have become more productive and profitable. New technology has boosted the incomes of the rural folks. It has reduced the drudgery of manual work. It has saved both time and energy and has made the farm work acceptable even to the educated youth. As an extension, it has affected the life styles of people pushing them closer towards the urban ones.

(C) Economic Factors

The rural economic environment is characterized by the following features.

(i) Poverty: Many people are below the poverty line. It is observed that only 3.8 per cent of the households in rural areas with 2.8 per cent of the population reported an income of more than Rs. 1200 per capita per month.

(ii) Low income occupation: Agriculture is the primary occupation. There is a shift nowadays to other occupations. Shopkeepers and people in service are 21 per cent in rural households. More than 70 per cent of the people are in small-scale agricultural and natural factors there is an acute seasonality and high chance element in the income receipts.

(D) Political factors

The philosophy and decisions of the ruling party and the thinking of rival parties greatly influence the fortunes of rural people. The governments at the centre and state levels are, largely helpful to the rural people. However, in the development plans so far, the urban benefited more than the rural. A clear emphasis on the protection and development of rural folk is laid in the recent plans and development programmes. A few highlights are:

A four-fold increase in the outlay for rural development from the seventh to the ninth five-year plan.
Programmes for self-employment like the Prime Minister Rojgar Yojana (PMRY) of the central government and the chief minister empowerment Yojana programme (CMEY) in Andhra Pradesh.

The IT policy, which is bringing connectively to villages through the internet. As a result, new thinking patterns, new occupational choices and new life styles are emerging in the rural side.

3.3.3 Buyer characteristics

The characteristics of the buyer that affect the buying process include: Age and life-cycle stage, Occupation, Economic situation, Life-style, Personality and self-concept and psychological factors.

(A) Age and Life-Cycle Stage

Buying is influenced by the age and life cycle stages of people. A look at table presents the picture of the consumption by age and life cycle stages.

**TABLE 3.1**
CONSUMPTION BY AGE AND LIFE-CYCLE STAGE:
**RURAL VS URBAN**

<table>
<thead>
<tr>
<th>Age</th>
<th>Life-cycle stage</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>Below 12</td>
<td>Child</td>
<td>Book, Pencil, Noodles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Slate, Pencil, Kanji</td>
</tr>
<tr>
<td>13 – 19</td>
<td>Teenage</td>
<td>Mopeds</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cycles</td>
</tr>
<tr>
<td>20 – 40</td>
<td>Young</td>
<td>A/c Restaurants, Coke</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tea stalls, soda</td>
</tr>
<tr>
<td>40 – 60</td>
<td>Middle aged</td>
<td>Credit cards, Readymade garments,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank accounts, Tailored clothes,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Small library, village</td>
</tr>
<tr>
<td>Above 60</td>
<td>Old</td>
<td>Clubs, Parks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Centre under a big tree</td>
</tr>
</tbody>
</table>

(Sources: Lalitha Ramakrishna, “Rural Marketing”, Pearson Education Pvt, Ltd., New Delhi, 2005, pp. 99.)
(B) Occupation

Evidently, the goods and services bought by a person are influenced by the occupation of the individual. Farmer buys a tractor and a carpenter buys a hacksaw. People who work in the fields buy shirts, dhoti, and upper cloth and those who work in the offices wear shirts and trousers.

(C) Economic Situation

The purchasing power of an individual is the prime consideration for marketers. If the disposable income of an individual is high. Obviously, he or she can buy a number of popular goods or a few expensive goods. Marketers have to find the income sensitivity of the goods and services they offer and make decisions such as offer low priced pack sizes. Price the goods moderately, Offer instalment purchase schemes, five heavy discounts or incentive goods with the purchase

Today, sachets of shampoos, toothpastes, hair oils, skin creams, cough syrup, and several other products tap the vast rural market. The small unit purchase is convenient to rural who are mostly daily wage earners.

(D) Lifestyle

Lifestyle is a person’s pattern of living. The pattern of living is determined by the activities, interests, and opinions of people.

Activities - work, hobbies, shopping, social events, etc Interests - food, fashion, family, recreation, etc Opinions - about self, society, government, business, etc

(E) Personality and self-concept

Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one’s own environment.

To relate personality to products people purchase, there are two aspects to be considered-situation and person. When in a social gathering, youth prefer to buy mineral water bottles or sachets, food packets, etc. given the situation, the response patterns vary from individual to individual. A conservative person may offer tea, whereas a jovial,
hedonistic type may buy Pepsi cola for his friends. A person low on sociability will prefer drinking tea standing alone at a corner tea stall. Modern marketers are increasingly concerned about matching products to the perceived self-personality of the individual (Lalitha Ramakrishnan, 2005).

(F) Psychological Factors

Consumer psychologists have tried to develop quantitative techniques, which have shown better research regarding the consciousness of the consumer. In the 70s, attention was mostly given to physiological measures in the context of reactions to advertising (Bagozzi, 1991). Physiological measures were framed on his hope that have a better potential to research the “real attitude” and therefore, would be more successful in predicting consumer behaviour. The three psychological factors, which help describe what goes on in the minds of consumers, have influence on his decision-making. They are:

- Perception
- Cognition and
- Motivation

(i) Perception

Perception is the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world. Stimuli may include products, packages, brand names, advertisement, and commercials, and so on. Perception is an individual process and depends on internal factors such as an individual’s beliefs, experiences, needs, moods, and expectations. Perception is also influenced by the characteristics of stimuli such as the size, colour, and intensity, and the context in which it is seen or heard. As consumer perception significantly affect their behavioural responses to marketing activities, consumer attitude towards marketing have been found to be linked to several key macroeconomic variables and have been used in economic forecasts (Chopin and Darrat, 2000).
Perception includes three distinct processes:

- Sensation
- Information selection
- Interpreting the information

Sensation is the immediate, direct response of the sense organs (eyes, ears, nose, mouth, and skin) to a stimulus such as brand name, package, and advertisement and so on. A stimulus is any unit of input to any of the senses. Marketers are interested in knowing the physiological responses of the consumers to various marketing stimuli such as visual and audio elements of a commercial or the design of the product package so that it would attract consumer attention.

Information selection refers to paying attention to particular stimuli. Sensory inputs are only part of the perceptual process. There are internal psychological factors that include a consumer’s personality, needs, motives, expectations, and experiences. The individual psychological factors explain as to why people pay attention to some of the things and ignore others. For this reason it is not unusual that people select, attend, understand, and perceive the same stimuli in different ways. Consumers pay attention only to those stimuli that are relevant to their needs or interests and filter out the irrelevant ones. In a typical day, consumers are exposed to a large number of stimuli but can remember only those that seem to be relevant to us and ignore all others.

Interpreting the information requires people to organize, categories, and interpret the information registered by the senses. This process is uniquely individual as it is based on what individuals expect to see in the light of their experiences, the number of possible explanations they can think of, their personality, needs, motives, etc. the meaning attributed to a stimulus depends in part on the nature of stimulus. Some ads attempt to communicate objective, factual information in a straightforward manner, other are ambiguous and apparently seem to have no relationship with an advertised product and the individual will usually interpret the meaning in such a way that they serve to fulfil personal needs, wishes, interests, etc. An individual’s interpretation of reality depends on
clarity of the stimulus, past experiences, her/his motives, and interests at the time of perception. In a way, perception is a filtering process wherein internal and external factors influence what is received, and how it is processed and finally interpreted

(ii) Cognition

The information gathering and processing styles of rural India are simple since their sources and skills are limited. For them, learning is possible when the subject is simplified; the presentation is made in their dialect and in a lucid style. With the aid of pictures and diagrams, the audience is slowly involved in experiential learning through demonstrations.

(iii) Beliefs and Attitudes

A belief is a descriptive thought that a person holds about anything. Beliefs may be based on knowledge, opinion, faith, or emotion.

A rural buyer of a watch holds the belief: “heavy watches are good in quality, durability, and reliability”. Attitude describes a person’s relatively consistent evaluation, feelings, and tendencies towards an object or idea. It has thus, three components:

- Cognitive - information evaluation and inference
- Co native - emotional feelings
- Behaviour - disposition to do or not to do

Rural consumers have a set of attitudes; which influence their purchases. A few of them are: Functionality is more important than style and frills. The difference between local brands and corporate brands is not worthy of consideration.

The first attitude requires marketers to design economy products. the second one makes fighting copycats difficult, marketers have to educate the rural consumers on the potential dangers of using fake products and guide them to identify the right products (Jill carroll, 2002).
(iv) Motivation

Motivation is a process of creating motives. A motive is defined as an inner urge that moves or prompts an action. Motivation to purchase a product becomes positive when the product corresponds to a need or a motive, which is to be satisfied. The motivation becomes stronger when such satisfaction is very important to the consumer. Hatwick classified motives into two types: primary and secondary as shown in Table 3.2.

**TABLE 3.2**

**MOTIVES**

<table>
<thead>
<tr>
<th>primary</th>
<th>Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and drink</td>
<td>Bargains</td>
</tr>
<tr>
<td>Comfort</td>
<td>Information</td>
</tr>
<tr>
<td>To attract the opposite sex</td>
<td>Cleanliness</td>
</tr>
<tr>
<td>Welfare of loved ones</td>
<td>Efficiency</td>
</tr>
<tr>
<td>Freedom from fear and danger</td>
<td>Convenience</td>
</tr>
<tr>
<td>To be superior</td>
<td>Style, beauty</td>
</tr>
<tr>
<td>Social approval</td>
<td>Economy, profit</td>
</tr>
<tr>
<td>To live longer</td>
<td>curiosity</td>
</tr>
</tbody>
</table>


Abraham Maslow propounded a need hierarchy theory of motivation. According to it, individuals have a spectrum of needs placed at five different levels in terms of priority. The need hierarchy and the corresponding product hierarchy of a typical farmer may be as shown in fig.
FIGURE 3.2: ABRAHAM MASLOW PROPOUNDED A NEED HIERARCHY

3.4 THE CONSUMER DECISION PROCESS MODEL

FIGURE 3.3: CONSUMER DECISION PROCESS MODEL

As the model shows, consumers typically go through seven major stages when making decisions: need recognition, search for information, pre-purchase evaluation, purchase, and consumption, post-consumption Evaluation, and divestment. These seven stages and how various factors influence each stage of consumers' decisions. by understanding the stages in the consumer decision-making roadmap, marketers can discover why people are or are not buying product and what to do to get them to buy more or from a specific supplier.

**Need Recognition**

![Diagram of Need Recognition](image)

**FIGURE 3.4: NEED RECOGNITION**


(A) Need recognition

When the buyer recognizes a gap between his desired state and the actual state, buying process starts. Such recognition may be caused by stimuli either internal (self) or external (by environment or marketer). At this stage, the marketer should help consumers identify their current and future problems and felt or latent needs. To do this, marketers have to research on consumer problems and needs (Lalitha Ramakrishna 2005).
(B) Search for information

Once need recognition occurs, consumers begin searching for information and solutions to satisfy their unmet needs. Search may be internal, retrieving knowledge from memory or perhaps genetic tendencies or it may be external, collecting information from peers, family, and the marketplace. Increasingly, information search is occurring on the internet. Although some searches on the internet may take a long time, others are much speedier, depending on how the web site is designed. Sometimes consumers search passively by simply becoming more receptive to information around them, whereas at other times they engage in active search behaviour, such as researching consumer publications, paying attention to ads, searching the internet, or venturing to shopping malls and other retail outlets.
(C) Evaluation of alternatives

The evaluation process may be done more carefully and logically in some cases, for example, consumer durables. In case of convenience goods, which are purchased for one-time consumption, the evaluation may be very less. Occasionally, it may be impulse buying too. Evaluation requires designing and application of suitable criteria. Evaluation methods include:

- expectancy value model
- lexicographic model
- conjunctive model
- disjunctive model
FIGURE 3.7: PURCHASE

(D) Purchase

The next stage of the consumer decision process is purchase. The core of marketing is exchange. It is the actualization of a transaction between the seller and the seeker of value. In this process, the customer must make a choice or decisions with regard to selection of a value provider. A brand success reflects choice or a decision in its favour. A decision involves a choice between two or more alternative actions or behaviours. The customers essentially make two types of decision in the context of marketing. The first type of decisions is directed at the choice of product or service. These decisions are called assortment decisions. The second type of decision concerns the choice of specific brands and how to obtain them. These are called as market related decisions. Since most customers do not have unlimited resources, judicious allocation of resources among given alternatives is required. The concept of assortment implies the basic combination or group. Assortment decisions tend to be guided by central values held by the individual and socio-psychological variables. Sometimes, assortment decision tends to be conscious ones, based on systematic analysis. The perception of each type of consumers should be duly recognized with respect to the related attributes and benefits of the product while getting involved with purchase decisions. Regardless of the type of
customers the process of purchase decision are uniform viz., need recognition, choice of involvement level, identification of alternatives. Evaluation of alternatives, decision to buy and post purchase behaviour consumer decision process does not consist of discrete acts, but is a processes. It is not just the decision but also a whole series of decisions (Stanton, Etzel and Walker 1994).

The customer moves to market related decisions in order to operationalize the assortment strategy. After searching and evaluating the alternatives, the consumer must decide whether to buy or not. Thus, the first outcome is the decision to purchase or not to purchase. If the decision is to buy, various decisions are to be taken regarding where and when to make the actual transition, how to take delivery or possession, the method of payment, and other issues. The buying decision also highly influenced with cultural, social, personal, and psychological factors.

**(E) Post purchase behaviour**

After purchasing the product, the consumer will experience some level of satisfaction or dissatisfaction. The consumer will also engage in post purchase action and product uses of interest to the marketer. The consumer’s satisfaction or dissatisfaction with the product will influence subsequent behaviour, if the consumer is satisfied, then he/she will exhibit a higher probability of purchasing the product on the next occasion. The satisfied consumer will also tend to say good things about the product and the company to others. The post purchase behaviour is depending upon the extent of consumer’s set of experience stored in memory, how well they select products and stores and the type of feedback they received. Understanding consumer needs and buying processes is essential for building, effective marketing strategies. By understanding how buyers go through problem recognition, information search, evaluation of alternatives, the purchase decision, and post purchase behaviour, the marketers can identify the effective marketing strategy.

The post purchase evaluation involves comparison between the expectations and actual performance of the product or brand. There are three possibilities at this stage. First, there is no discrepancy between expectations and actual performance. It leaves the
consumer with neutral feelings. Second, performance exceeds expectations, in this situation consumer feels satisfied. Third, performance falls below expectations, this leaves the consumer dissatisfied (Ernet, Woodruff and Jenkins 1987).

The interaction between expectations and actual product performance produces either satisfaction or dissatisfaction. However, there does not appear to be merely a direct relationship between the level of expectations and the level of satisfaction. Instead, a modifying variable known as “disconfirmation of expectations” is thought to be a significant mediator of this situation. The disconfirmation can be of two varieties: A positive disconfirmation occurs when what is received is better than expected and a negative disconfirmation occurs when things turnout worse than anticipated. Thus, any situation in which the consumer’s judgment is proven wrong is a disconfirmation (Benison 1980). The desire to study the behaviour of consumers after the purchase has been made is a true marketing, orientation, identification with the consumers and seeing things from their perspective. Purchases are purposive and motivated. post purchase behaviour indicates to what extent these purchase activity gives an indication as to whether the customer are going to again patronize a firm in future, and also whether they will be in a mood to recommend a product to potential customers.
FIGURE 3.8: CONSUMPTION AND POST CONSUMPTION AND EVALUATION
(F) Divestment

Divestment is the last stage in the consumer decision process model. Consumers have several options, including outright disposal, recycling, or remarketing. When the student in the example has finished using the car, he purchased. He has to dispose of it somehow. He can choose to sell (remarket) it to another consumer, trade it in on another vehicle. Alternatively, take it to the junkyard. With other products, consumers find themselves having to dispose of packaging and product literature as well as the product itself. In these situations, recycling and environmental concerns play a role in consumers’ divestment methods (Roger 2005).

(G) Dissonance

Products such as carpets and furniture are expensive but have few differences. However, consumer is involved because they are more social products their style appearance and performance will be talked about and may result in either delight or dissonance. The buyer rationalizes the purchase by identifying certain attributes and uses them as a defence to reduce the dissonance.
3.5 RURAL CONSUMER BEHAVIOUR

Not too long ago when marketing myopia was a prevalent feature of Indian markets, companies developed products and services without ascertaining the needs and wants of the target market. Today though the customer is treated as the king, not enough effort is made to understand the consumer without which penetrating something as complex as rural markets is just not possible. The primary fact has to be accepted that there is a vast difference in the life styles of the people. The choice of brands that an urban consumer enjoys is different from the choices available to the rural consumer. The rural consumer usually has two or three brands to choose from whereas the urban one has many more choices. There is a difference also in the way of thinking. The rural consumer has a different outlook compared to his urban counterpart. Many a company has faced embarrassing situations when the rural consumers found an alternative use for the product because the correct use of the product was not communicated.

A consumer in the broad sense is someone who purchases, uses, evaluates, and disposes products and services. However, post-liberalisation, the term witnessed evident changes in demographics, lifestyles and communications. Today the `consumer’ needs to be differentiated on the basis of individual differences in consumer expectations, with preferences of more choices. An entity is keener on functional benefits of the product thereby turning out to be an undecipherable proposition to product centric manufacturers.
### 3.6 ROLE OF INDIVIDUAL IN PURCHASE PROCESS

The role of individual in purchase process is identified by Schiffman et al. (1997). These are:

1. **Initiator**: Family members who initiate the demand for the product.
2. **Influencer**: Family members who provide information to other members about a product or service and hence influence the purchase decisions.
3. **Decider**: Family members with the power to determine unilaterally or jointly whether to shop for purchase, use, consume or dispose off a specific product or service.
4. **Buyer**: Family members who make the actual purchase and pay for the product.
5. **User**: Family members who use or consumer a particular product or service.

The study tries to exhibit the roles played by family members in purchase of HFDs. A need was felt for this study because of the changes taking place in the cultural and sociological ethos of India, which triggered changes in the purchase process and consumption patterns of Indians. Rise in consumption, emergence of nuclear families, increasing financial independence of women, more convenience oriented life styles, fewer children per household, increased media exposure and many more changes have led to a paradigm shift in the roles played by family members in buying decision-making. Apart from this, the marketer make a suitable strategy which apt for any one of the five roles in buying process

### 3.7 NUTRITION IN INDIA

India, the world's largest malt-based drinks market, accounts for 22 per cent of the world's retail volume sales. These drinks are traditionally consumed as milk substitutes and marketed as a nutritious drink, mainly consumed by the old, the young, and the sick. The Health Food Drinks category consists of white drinks and brown drinks. South and
East India are large markets for these drinks, accounting for the largest proportion of all India sales. The total market is placed at about 90,000 ton and is estimated to be growing at about 4 per cent. These Malt beverages, though, are still an urban phenomenon.

After four years of age, a child's energy needs per kilogram of bodyweight are decreasing but the actual amount of energy (calories) required increases, as the child gets older. From 5 years to adolescence, there is a period of slow but steady growth. Dietary intakes of some children may be less than recommended for iron, calcium, vitamins A and D and vitamin C, although in most cases-as long as the energy and protein intakes are adequate and a variety of foods, including fruit and vegetables, are eaten-deficiencies are unlikely. Regular meals and healthy snacks that include carbohydrate-rich foods, fruits and vegetables, dairy products, lean meats, fish, poultry, eggs, legumes and nuts should contribute to proper growth and development without supplying energy to the diet. Children need to drink plenty of fluids, especially if it is hot or they are physically active. Water is obviously a good source of liquid and supplies fluid without calories. Variety is important in children's diets and other sources of fluid such as milk and milk drinks, fruit juices can be chosen to provide needed fluids. In India, each State is practically equivalent to a country with its specific socio-economic level, different ethnic groups, food habits, health infrastructures, and communication facilities. Thus, the nutritional status of the population shows significant variation between states since it results from a varying combination. In the last 20 years, there has been an improvement in the nutritional status of the Indian population. This improvement results from not only changes in food intake but also socio-economic factors, increased availability of potable water, lower morbidity and improvement of health facilities. However, multitudes of infectious diseases such as respiratory and intestinal infections as well as malaria remain the main cause of death in children under five, with malnutrition being an aggravating factor. Measles, tetanus, typhoid, and hepatitis are also frequent causes of death during infancy and childhood. In the last 20 years, there have been no significant changes in patterns of dietary intake. Adolescents who are undergoing rapid growth and development are one of the nutritionally vulnerable groups who have not received the attention they deserve. In under-nourished children, rapid growth during adolescence may
increase the severity of under nutrition. Early marriage and pregnancy will perpetuate both maternal and child under-nutrition. At the other end of spectrum among the affluent segment of population, adolescent obesity is increasingly becoming a problem.

Pre-school children constitute the most nutritionally vulnerable segment of the population and their nutritional status is considered a sensitive indicator of community health and nutrition. Over the last two decades, there has been some improvement in energy intake and substantial reduction in moderate and severe under-nutrition in pre-school children. India has enormous under-nutrition and over nutrition problems.

Asia has the largest number of malnourished children in the world. The Double Burden of Malnutrition in 80 Pacific Business Review International Asia was inspired by the massive challenge that this situation currently poses for Asia. It describes the main driving forces behind the groundswell of under-nutrition, while shedding light on the emerging double burden of co-existing underweight and overweight, and the linkages between these two different forms of malnutrition. There are two types of nutritional problems - one is under-nutrition and another is over-nutrition. Many developing countries have under-nutrition and those in Europe and North America have over-nutrition problems. There is this in-between category with countries like India that still have an enormous amount of under-nutrition and significant over-nutrition problems. In India, for instance, around 50 per cent of its children under the age of five are undernourished or malnourished. However, in urban areas, the over-nutrition problem is shooting up, thanks to the change in lifestyle and food habits. As a result, health systems are under huge stress.

3.8 HEALTH FOOD DRINKS

Health drinks plays an important role in the modern food habit. It gives energy and important intakes that are necessary to become a healthy person. There are many brands in the market, which creates heavy competition among the producers of health drink. Since the sales promotion, activities are affecting the market, consumers’ preference change from time to time. Hence, an attempt is made to find out the consumer preference change from time to time. Hence, the consumer preference for health drinks in the present market scenario.
Drinks are usually soft drinks specifically designed to provide energy, nutrition, and health to the human body. They include a combination of methyxanthines, caffeine, vitamin B complex, and herbal ingredients. Other ingredients may include extracts from the guarana plant or taurine, various forms of agineseng, maltadextrin, Inoairol, carnitine, creatine, glucorranalactocone, and ginkobiloba. Some of them contain sugar. The central ingredient is most health drinks is coca, the same stimulant found in chocolates, often in the form of guarana or terba mate.

The main consumers for the health drinks are from the different lifestyle but the majority of them come from the younger and older generations alike. Health drinks provide the essential nutrients to the body for the speedy growth and recovery in the case of any injury or ailment. It generally supplements the deficiency in the intake of the essential nutrients for the body absent or present in much lower quantities in our regular diet.

The market of the health drinks is worldwide and covers every part of the world. They are popular in same level whether it is a developed country or an underdeveloped. In the Asian countries, the young and old alike generally require health drinks. Most of the women also consume them in large quantity.

Coffee is not usually thought of as health food, but a number of recent studies suggest that it can be highly beneficial drink. Researchers have found strong evidence that coffee reduces the risk of several serious ailments, including diabetes, heart disease and cirrhosis of the liver; Coffee contains antioxidants that help control the cell damage that can contribute to the development of the disease. It also a source of chromogenic acid, which has been shown in animal experiment to reduce glucose concentrations.

Over the last decade, the health consciousness of consumers has become an important factor driving the agri-food market. Healthier food products have entered the global markets with force in the past years and rapidly gained market share. Various studies have concluded that better understanding of consumer perception of healthy foods and its determinants are key success factors for market orientation and development and for successfully negotiating market opportunities. The basic purpose of this research
paper is to identify the influence of various factors on the buying decision of customers. Paper also attempts to determine the

White drinks account for almost two-thirds of the market. GSK Consumer Healthcare is the market leader in the white malt beverages category with a 60.7 per cent overall market share. Heinz's Complan comes in second (in this segment, third overall) with a market share of 12-13%. Market leader GSK also owns other brands such as Boost, Maltova, and Viva. Currently, brown drinks (which are cocoa-based) continue to grow at the expense of white drinks like Horlicks and Complan. The share of brown drinks has increased from about 32 per cent to 35 per cent over the last five years. Cadbury's Bournvita is the leader in the brown drink segment with a market share of around 17%. Other significant players are Nestlé's Milo and GCMMF's Nutramul.

3.9 HEALTH RELATED EXPENSES

This Pan Indian research model provides large research depths by covering about 10,000 households across cities like Chandigarh, Delhi, Jaipur, Lucknow, Ludhiana, Calcutta, Patna, Bangalore, Chennai, Cochin, Hyderabad, Madurai, Ahmedabad, Indore, Mumbai, Nagpur, Pune and Surat. Health Outlook shows that health enjoys about 9.4 per cent share of the wallet of Indian consumer and is on the rise for the last three years. This spend includes health supplements, health drinks, doctors and consultants fees, medicines, medical insurance, regular check-ups etc. Consumer attitudes to health drinks are mainly influenced by quality attributes. Important in some cases, but they may be overstated. The relationships between consumers' awareness of health drink, price, and perceived quality of food were investigated by tests involving series of consumer panels and sensory evaluation. Sensory responses were also matched to instrumental analysis data. Results indicated that overall there was no relation between panellist’s views about health drinks and their sensory perceptions. Eighty per cent of the panellists felt that organic products were too expensive, but would buy them if they were cheaper. However, the study showed that most of the people would not be likely to change their preference once they had made a product choice based upon sensory attributes. This has important implications, indicating that not only price, but also sensory quality of health drink must be considered in order to maintain repeated purchases by most consumers. It is widely accepted that
consumer acceptance of drinks is mainly determined by their sensory perception, while choice is strongly influenced by the perceived value for money.

3.10 BRANDING:

Creating a brand is one of the most important things that you will do in the establishment of your small business. However, defining what “brand” means can be a tricky task. There are so many different approaches to branding a business and so many elements of a brand.

Definitions and meaning:

The American Marketing Association defines a brand as “a name, term, sign, symbol, or design or a combination of these, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” in other words, a brand is the means by which the firm identifies itself to customers. When a seller has been granted legal protection for a brand such that it may not be used by anyone else, it is called a trademark.

A brand may include a brand name, a trademark, or both. The term is sufficiently comprehensive to include practically all means of identification except perhaps the package and the shape of the product.

All brand name and all trademarks are brands or parts of brands but all brands are either brand names or trademarks. Brands are the inclusive general term. The others are most popularized.

The Importance of Brand:

Branding is a very powerful component in business. The brand must have a logo to make branding easier and more possible. The consumers decide if they will buy a product or use a service based on how they view the brand. Once a customer like your brand he/she will definitely come back for repeated services or products. The qualities of the product or services are ensured through the customers minds from the brand image.
Brand is not only convenient for business for repeated customer purchase but also easier for customers to filter out the countless generic items. Brand gives consumers the reason to buy it and wastes less time for consumer to choose.

There are ways to improve a brand from advertising such as viral campaign, online ads, print advertisements, and commercials. Another way is to improve your product or services that will reinforce the brand. This is a good way to promote your brand by always being in the cutting edge or “customer’s first image”.

The qualities of your products and services will reinforce the brand. Advertise as much as possible to spread that message and make it into a cult brand. Branding does not only benefit the business but you as well. The brand that chosen reflects the customers and expresses on what the customers like to do and be able to join the community of likeminded people. Branding is a win: Win situation for both the businesses and the loyal customers.

**Brand preference**

One of the indicators of the strength of a brand in the hearts and minds of customers, brand preference represents which brands are preferred under assumptions of equality in price, availability, quality, taste, smell, popularity, hygiene, service, advertisements, etc.

Selective demand for a company’s brand rather than a product; the degree to which consumers prefer one brand to another. In an attempt to build brand preference advertising, the advertising must persuade a target audience to consider the advantages of a brand, often by building its reputation as a long-established and trusted name in the industry. If the advertising is successful, the target customer will choose the brand over other brands in any category.

**Brand Loyalty**

Selling to brand loyal customers is far less costly than converting new customers (Reichheld 1996, Rosenberg and Czepiel 1983). In addition, brand loyalty provides firms with tremendous competitive weapons.
Brand loyal

Consumers are fewer prices sensitive. A strong consumer franchise gives manufacturers advantage with retailers. In addition, loyalty reduces the sensitivity of consumers to marketplace offerings, which gives the firm time to respond to competitive moves. In general, brand loyalty is a reflection of brand equity, which for many businesses is the largest single asset. Perhaps the most cited conceptual definition of brand loyalty comes from Jacoby. “The biased, behavioural response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) processes.” Consistent with these definition are two broad categories of operational definitions. The first stresses the "behavioural response, expressed overtime"-typically a series of purchases. As Day (1979) observed, however, the major limitation of behavioural measures is the failure to identify motive and the resulting confusion between brand loyalty and other forms of repeat buying. The major alternative operational definition is based on consumer attitudes, preferences, and purchase intentions. These measures stress the cognitive "bias”, and the "psychological (decision-making evaluative) processes" underlying loyalty.

3.11 PRODUCT PROFILE

PRODUCT –AN OVERVIEW

Universally, in bringing up their children, mothers attach a lot of emotional importance to nourishment. There is an ever-growing need for nourishment and energy in today’s fast-paced world. Who can resist a steaming, hot drink that promises to energize, nourish, and refresh? The need for nutritional supplementation is all the more relevant for kids. Coupled with the fact that kids love the delicious taste of these drinks, once they have tried them, lies the basic tale of milk additives and the growth and development of the Heal Food Drink (HFDs) category. No one can be sure of when and how the category evolved but, today, in India the HFDs market is valued at approximately Rs.13,000 million nearly 50,000 tones.
Health Food Drinks provide nourishment for the family, particularly growing children and serve as energy provides for adults. The market for malted milk powders in India is huge as the product is widely used as a nutrition and energy supplement by children and adults. The size of the market is estimated at Rs. 10,170 million.

Available Health Food Drink in market can be considered as follows:

1. HORLICKS
2. BOOST
3. BOURNVITA
4. COMPLAN
5. PEDIA SURE

HORLICKS

Horlicks is a malted milk powder that can be mixed with warm milk to make a drink. It is whether and less malty-testing than other such drinks. The basic ingredients Horlicks is malted barley, wheat flour, and evaporated milk. It is now available in many flavours including original, chocolate, banana, strawberry, light, etc.

Horlicks is served in some Chinese restaurants as a snack, usually sweetened with sugar. They serve it hot or cold-to serve it cold, they make it firs with the warm milk, then add ice to chill it. It is very popular in India, where special flavours and formulas have been developed for the market there.

It is very popular in Malaysia, where it is present in 70 per cent of Malaysian kitchens where it is used as a drink for children. GlaxoSmithKline owns Horlicks. The
largest markets for Horlicks are in order, the UK, India, and Malaysia. It is GlaxoSmithKline top selling product in Malaysia.

Some malted barley, pinches of wheat flour with a dash of evaporated milk. That’s Horlicks recipe for success. James Horlicks, after whom the brand is named, was a chemist who worked for a company which produced dried infant food. He became ambitious after inventing some recipes of his own. So along with his brother William, they found J and W Horlicks of Chicago.

Up until the 1960s Horlicks was positioned as an adult restorative drink that gave extra energy, especially during convalescence. The 1970s saw its position shift to ‘The Great Nourishes’. It was in this phase that the brand saliency shot up. The next decade saw Horlicks face an immense external challenge. Thanks to Operation flood, there was availability of milk and the reason deter for buying the brand became weaker. Horlicks fought back in 1984, Horlicks aimed at growth by growing the consumer base. By 1994, it had created ‘Ideal Horlicks’ – and improved product formulation that also brought back the taste people reminisced about. In 2002, Horlicks was relaunched on the immunity platform. Relationship has been nurtured by the brand by fortifying the product from time to time. In 1998, Horlicks was fortified with Smart Nutrients-a unique combination of vitamins and minerals – intended to imbibe growing children with mental agility and physical fitness. Junior Horlicks was relaunched with extra nutrients to build the immunity of little children. Today, Junior Horlicks contributes 11% to Horlicks total sales turnover and has been one of the fastest growing product extensions to the Horlicks brand.

But it isn’t just product development that Horlicks has concentrated upon. It has also created new attractive packaging options including jars, refill packs and sachets. Horlicks was the first brand in India to introduce a refill pack option and also the first to shrink-wrap bottles. In a way there’s a Horlicks pack for every occasion and mood,
Boost was developed by the company’s Indian R&D team in 1974 and launched in 1975-76. Positioned as the ‘energy fuel’, the brand soon generated great consumer pull and was subsequently launched at a national level. Around 1984, however, Boost sales seemed to plateau. This led to a complete re-think about the brand strategy. A deeper understanding of purchase dynamics of the category revealed that by the latter half of the 1980s, children had come to become strong influences in a family’s purchase of these HFD products. What was also observed was that this section of the population had the highest requirement for supplementary energy and was also the most enthusiastic about sports-cricket, in particular. Infused with this insight, Boost was consequently repositioned. It pushed forward the association of kids of this age group with cricket. This has since remained a winning strategy.

GloxoSmithKline Plc. Is recognized as one of the leading health and pharmaceutical companies in the world. Its powerful combination of skills and resources has enabled it to offer frontline health products to the consumer. These traits are amply evident in the Boost brand. But brands are not built by formulation alone. They require strategic thinking and a strong positioning platform. Success for Boost has come as a result of constant brand building efforts and the proven positioning platform of ‘energy’. The brand had the courage of conviction to make a paradigm shift in targeting the child in its communication. Today, ‘Boost is the secret of my energy’ is the most recalled ‘sign-off’ in its product segment and has defined the brands identity.

Also boost is the first HFD to have ever used celebrity endorsement to convey its proposition of these achievements; Boost has won prestigious awards such as the World Star for its packaging and the finalists’ position in the Effie Awards, 2000, for effective communication.
Boost is a malt-based drink in chocolate flavour, with the brand philosophy being to continuously innovate and pioneer changes in the category. In 2002, the brand created history by re-launching Boost with ‘Power Booster’, completely different product from any other HFD. The New Boost contains copper and biotin, in addition to its extant composition of vitamins and minerals. Two serves of New Boost(approximately 30 gms) as per the CODEX Alimentarius Commission of World Health Organization, 1995, provide (50%) of the daily requirement of Vitamin B1, B6, B2, A, B, C, D, Niacin, Pantothenic acid. Biotin, folic acid, copper and Iron and 25 per cent of Calcium. The vitamins and minerals not only provide adequate energy for the consumer they also help in the efficient working of body cells, formulation of healthy blood and make bones stronger. His re-launch has helped Boos capture the position of number one brown HFD in India.

BOURNVITA

In India, company was incorporated on July 19th 1948 as a private limited company under the name of Cadbury-Fry (India) soon thereafter the company launched Bournvita. Through the years, Bournvita has been a market leader in the Health Drinks market as well as have a dominant share of the chocolates market. Cadbury Bournvita was introduced in 1948. Since then, it has always been the leading brown MFD brand in the country and the second largest MFD brand as a whole, Bournvita has worked towards achieving this status but never remaining motionless. Throughout its history, Bournvita has constantly endeavoured to re-invent its product, packaging, promotion and distribution. Each has been aimed at improving the value proposition to the consumer.
The brand was re-launched in 1999 with a new fortified Recommended Dietary Allowance (RDA) balanced formula. The message sent out through communication as well as packaging simply stated that the new Bournvita would meet the nutritional needs of children and make up for brand to create greater relevance for the category-and hence the brand amongst plain milk drinker. It was a winning formula that yielded double digit growth over the next two years and significantly contributed to the brands’ development.

An energetic brand, Bournvita went through another change in 2001, with a complete overhaul of branding, packaging and communication. This re-launch had two clear objectives: to make the brand contemporary and reinforce the equity with its loyal consumers. An assessment post the successful re-launch, showed that Bournvita had further strengthened its leadership position in the West and had attained market leadership in the North.

Product

Bournvita has a unique taste which combines the goodness of malt and chocolate. It gives the child physical and mental alertness resulting in a healthy body and an active mind. In turn his gives the child the confidence to succeed in life.

In 2001 Bournvita, complete with new packing and design was re-launched. It has many firsts. Bournvita introduced a pet jar (shifting from the old glass bottle). It introduced shrink-sleeved packaging (from the old jar labels). There was a complete re-design of the logo. A loyalty program me, in the form of a Bournvita Nutrition Centre, dedicated to counselling mothers on her child’s daily nutritional needs was opened. It was Bournvita’s way of showing it cared.

COMPLAN
Glaxo brought Complan to India in 1964 and marketed it through doctors as a convalescence drink. After it went OTC in 1969, Complain continued to be perceived as an ethical product. In those days its tag line “Complan ahs 23 Vital Nutrients whereas Milk has 9” had established complan’s superiority over milk on nutritional delivery.

The brands’ next milestone was reached in 1975 when, in order to expands its user base, complain made a strategic shift in its target market and positioning. Complan was now repositioned as an ideal nutritional supplement for growing children.

Complan’s current consumer base runs into hundreds of thousands of households across the country. It is retailed through more than 225,000 outlets and has an impressive 16.8% share across the entire MFD category. Apart from India, Complan is also available in the UK, Australia, Venezuela, Nepal and Sri Lanka.

Complan’s growth closely resembles its core consumers; it has been growing over the last twenty years to register a constant upswing in its market. In this period, it has doubled its market share while commanding a price premium in excess of 40% over its nearest competitor.

**Product**

Enriched with 23 vital nutrients in balanced proportion complain is an ideal nutritional supplement for children in its target segment of four to fourteen years. Complan’s- the complete planned food in a Drink – is formulated as per the world Health Organization guidelines suggested for growing children.

Milk protein, which has superior digestibility properties, contains all essential amino acids balanced to perfection and hence is the ideal engine or growth. It is also a superior source of energy and meets the WHO guidelines of energy requirement from proteins. It provides more energy than any other major brand in this category, 20 per cent of Complan is protein and 100 per cent of it is derived from natural milk. No other brand can match this claim. To extend the goodness of Complan and make it available to children any time, the brand was also conceived in a biscuit form. Complain Crutch Timers biscuits have nourishment sandwiched in their cream centers’ and are a delightful anywhere bite.
PEDIASURE

One of the most crucial phases of a child’s growing years is 2 to 10 years of age. During this period, children undergo a significant increase in physical development and mental development. Your child’s fussy eating may lead to nutrition gaps which may affect their growth. Ideal growth and development happens only with adequate nutrition. Pediasure – mothers in over 80 countries for adequate nutrition trust Abbott’s hallmark brand for their children.

Pediasure is a science-based nutritional supplement that provides complete, balanced nutrition for children from age 2 to 10 – those special years of rapid growth and mental development. When consumed in proper amounts, Pediasure is scientifically formulated to provide one hundred per cent of the energy, vitamins, and minerals, and a balance of protein, fats, and carbohydrates that children require for growth and health. Formulated with 37 vital nutrients, Pediasure is clinically proven to help increase height and weight*, reduce number of sick days, and reduce incidence of infection. Pediasure also contains nutrients such as Taurine, Choline and Omega 3 and 6 to support brain development in children.

3.12CONCLUSION

An understanding of consumer behaviour is essential in formulating the marketing strategies. However, information about rural consumers is limited and hazy due to lack of right competence, partial approach, and limited knowledge and bias of the corporate managers. The model of consumer behaviour comprises stimuli both internal and external, which include self, socio-cultural, technological, economic, and political factors.
in the rural milieu, social customs and sanctions, caste factor, temporary occupations, difficulty in accounting incomes, influence of development groups and opinion leaders like teacher, pradhan, group leader and an official, size of the family, status, sociability, latest technology products and government policies and programmes act as generators of stimuli.

Evidently, buyer characteristics like age and life-cycle stage, occupation, economic situation, life style and personality and psychological factors such as perception, cognition, belief and attitudes and motivation influence purchase. Buying decision process is universal. However, certain differences are found between rural and urban consumers owing to the limited information sources and limited evaluation capabilities. Buyer evaluation procedures, which urban usually employ are also employed by rural but in a less systematic way.