

CHAPTER- 2

CONSUMER BEHAVIOUR

It is a globally accepted fact that in recent times, marketers have become dynamic and the consumer has control over the strategic decisions made by the insurance companies. Companies are put to challenge to understand the pulses of new age policyholders and their buying pattern. India, in this scenario is no exception. It is being a nation of diverse cultures and traditions, understanding the consumers' buying pattern become a hard task. With the advent of globalization and the sequel changes in the country, many Multinational Insurance Corporations have started making a foray into Indian insurance market due to its sky-scraping potential.

Business environment today is turbulent as never before and the service industry as promising as never before. In this era of intense competition where customer is the king, success depends a lot on the efficiency of the managers in delivering what they have promised and the responsibility lies on the organisations to develop such a culture where business ethics are followed, value for the services is provided and quality services are offered to achieve higher level of customer satisfaction. For achieving customer satisfaction understanding dynamic consumer behaviour is essential. As true believers in the marketing concept marketer should try their best to meet needs of consumers.

Service firms should follow a proactive approach i.e. begin the service and satisfaction management process before they even come in contact with customers and also be reactive i.e. look forward for customers to complain, welcome them and tell them what to do. This study is an attempt to develop a thought on how to focus on enabling and keeping promises in service firms because how promises are kept is a clear indication of how strong and for how long shall the customer relationship be. The service sector dominates the Indian economy today, contributing to more than half of our National Income. Since services are intangible in nature and cannot be checked before the purchase is actually made therefore, it is very critical to deliver what has been promised to the target customer. Consumer behaviour studies play an important role in framing marketing and in deciding marketing strategies.

Consumers are often studied because certain discussions are significantly affected by their behaviour or expected actions. For this reason such consumer behaviour is said to be an applied discipline. Such applications can exist at two level of analysis. The micro perspective involves understanding consumers for the purpose of helping a firm or organisation accomplish its objectives. On the macro or societal perspective consumers collectively influence economic and social conditions within an entire society.

2.1 CONSUMPTION AND CUSTOMER

Consumption process is related to different types of individuals, purchaser, shopper or customer and is generally used synonymously to indicate one who actively engaged in buying. The consumption process involves three interrelated activities of decisions: determine personal or groups wants, seek out and purchase products and employ products to derive benefits.¹

Customer: The term “customer” is typically used to refer to one who regularly purchase from a particular store or company. The “consumer” more generally refers to anyone engaging in any of the activities (evaluating, acquiring, using or disposing of goods and services) used in the definition of consumer behaviour.² Therefore, a “customer” is defined in terms of specific firm while consumer is not. Customers are value maximiser within the bounds of search costs, limited knowledge, mobility and income. The most commonly thought of consumer situation is that of an individual making a purchase with little or no influence of others.³ A consumer or buyer is one who determines personal wants, buys products and uses those products. The traditional viewpoint defines consumers strictly in terms of economic goods and services or one who consumes goods.

The ‘customer is king’ philosophy has become one of those marketing fads and fashions that have continued to trail the growth and expansion of the product economy.⁴ The term consumer is often used to describe two different kinds of consuming entities personal consumer and organisational consumer. Ultimate consumers are those individuals who purchases for the purpose of individual or household consumption. Organisational consumers are those who buy products and

services in order to run their business. Buyer is the individual who actually makes the purchase transaction whereas user is the person most directly involved in the consumption or use of the purchased product.

A customer is also called client, buyer, shopper or purchaser, usually used to refer to a current or potential buyer or user of the products of an individual or organisation, called the supplier, seller, or vendor.⁵ This is typically through purchasing or renting goods or services. However, in certain contexts, the term customer also includes by extension anyone who uses or experiences the services of another. A customer may also be a viewer of the product or service that is being sold despite deciding to not buy them. The word customer is derived from “custom,” meaning “habit”; a customer is someone who frequented buy from a particular shop, who made it a habit to purchase goods or services rather than elsewhere and with whom the shopkeeper had to maintain a relationship to keep his or her “custom,” meaning expected purchases in the future. The slogans “the customer is king” or “the customer is god” or “the customer is always right” indicate the importance of customers to businesses - although the last expression is sometimes used ironically.

However, “customer” also has a more generalized meaning as in customer service and a less commercialised meaning in not-for-profit areas. To avoid unwanted implications in some areas such as government services, community services and education, the term “customer” is sometimes substituted by words such as “constituent” or “stakeholder.” This is done to address concerns that the word “customer” implies a narrowly commercial relationship involving the purchase of products and services. However, some managers in this environment, in which the emphasis is on being helpful to the people one is dealing with rather than on commercial sales, comfortably use the word “customer” to both internal and external customers. The definition of consumer behaviour is redefined in the context of services, as the nature of service is significantly different from products.

The “consumer” more generally refers to anyone engaging in any of the activities used in our definition of consumer behaviour. Therefore, a customer is defined in terms of specific firm while consumer is not. The traditional viewpoint has defined the

consumers strictly in terms of economic goods and services whereas rational view defined the consumer in terms of potential adopters of services (including free services, ideas, philosophies). Ultimate consumers are those individuals who purchases for the purpose of individual or household.

2.2 CONSUMER BEHAVIOUR AND BUYER BEHAVIOUR

Consumer behaviour is seen to involve a complicated mental process as well as physical activity (purchase decision). Consumer behaviour is a decision process and physical activity individuals engage in when evaluating, acquiring, using or disposing of goods and services.

Consumer Behaviour reflects the totality of consumers' decisions with respect to the acquisition, consumption and disposition off goods, services, time and ideas by (human) decision making units.⁶

Buyer Behaviour particularly is the study of decision making units as they can buy for themselves or others. Thus, buying behaviour particularly involves collective response of buyers for selecting, evaluating, deciding and post purchase behaviour. Buyer behaviour is the study of human response to services and the marketing of products and services. Buyer behaviour researches continuously investigate a broad range of human responses including human affective, cognitive and behavioural responses. The buying behavior and purchase decisions are need to be studied thoroughly in order to understand, predict and analyze critical market variations of a particular product or service. The field of consumer behaviour is the broad study of individuals, groups or organisations and the process they use to select secure and dispose of products, services, experiences or ideas to satisfy needs and the impacts that these processes have on the consumer and society.⁷ Consumer behaviour studies are based on the buying behaviour of final consumers-individuals and households who buy goods and services for themselves.⁸ The collective behaviour of consumers has a significant influence on quality and level of standard of living. Buyer Behaviour is broadly defined by various scholars and researchers as:

1. It's the behaviour displayed by the consumers during the acquisition, use and disposition of products/services, time and ideas by decision making units.
2. It is the body of knowledge which studies various aspects of purchase and consumption of products and services by individuals with various social and psychological variables at play.
3. The process and activities people engage in when searching for, selecting, purchasing, using, evaluating and disposing of products and services so as to satisfy their needs and desires. The activities directly involved in obtaining, consuming and disposing of products and services, including the decision processes that precede and follow these actions.

2.3 CONSUMER BEHAVIOUR AS A DYNAMIC PROCESS

Consumer behaviour involves the understanding that acquisition, use and disposition can occur over time in a dynamic sequence. In other words the study of consumer behaviour is the study of how individuals make decisions to spend their available resources (money, time, efforts) on consumption-related items.

The American Marketing Association (AMA) defines consumer behaviour as “The dynamic interaction of cognition, behaviour and environmental events by which human beings conduct the exchange aspect of their lives.

Consumer behaviour is “The study of individuals, groups, or organisations and the processes they use to select, secure, use and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.” Behaviour occurs either for the individual, or in the context of a group (e.g., friend's influence what kinds of clothes a person wears) or an organisation (people on the job make decisions as to which services the firm should use).

Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how we can encourage the consumption of a product in market. Consumer behavior involves services and ideas as well as tangible products. The impact of consumer behavior on society is also relevant. For example, aggressive marketing of high fat foods, or aggressive marketing of easy credit, may have serious

repercussions for the national health and economy. Services are also marketed in much the manner as goods and commodities. Still there are wide difference between goods and services based on their characteristics and attributes.

2.4 APPLICATION OF CONSUMER BEHAVIOUR

The study of consumer behaviour deals with basic questions related to buying such as: what we buy, why we buy and how we buy. The study of consumer behaviour makes us aware of the subtle influences that persuade us to use the product or services of our choices we do. For understanding consumer behaviour, implementation of consumer behaviour theories and verification of applications of such theories is necessary. Consumer behaviour is simple a large subset of larger field of human behaviour and an extended field of marketing attracting researchers and marketers from past few decades.

Four main applications of consumer behavior

The most obvious application of consumer behaviour is for deriving marketing strategy. New products initially adopted by a few consumers and spread gradually to the rest of the population later. The companies that introduce new products must be well financed so that they can stay afloat until their products become a commercial success. It is also important to please initial customers, since they will in turn influence many subsequent customers' brand choices.

2.5 CONSUMER BEHAVIOUR: AN EMERGING FIELD OF STUDY

In the highly specialised study of “business management”, “business administration” or just “management” today, “marketing management” function plays a very critical role in business activities. This is because this functional area of management (1) “earns” the revenue and (2) “works” in the close proximity with the public or persons outside the organisation. Controlling these two attributes to have the desired benefits are the most difficult part of the management, because none of these two are within the direct control of the marketers. This does not mean that the other functional areas are not useful, but they are not “directly” involved in the activities mentioned above.

Marketing consists of an interaction between buyer and seller for the purpose of exchanging something valuable to the mutual benefit of both the parties to the transaction. One cannot appreciate this marketing process by observing only the seller, knowledge about consumer is a sound basis for marketing strategies and decisions. Markets are selected on the basis of consumer wants, location, characteristics and expenditure patterns. To ignore the customer can lead to disaster in a modern economy.

Consumer behaviour has become an integral part of strategic market planning. It is also the basis of the approach to the concept of 'Holistic Marketing'. The belief that ethics and corporate social responsibility should also be integral components of every marketing decision is embodied in a revised marketing concept – the societal marketing concept – which calls on marketers to fulfil the needs of their target markets in ways that improve society as a whole.

Consumer or the "Customer" play a very critical role as these are the people who finally buy the goods and services of the organisation and the firm is always on the move to make them buy so as to earn revenue. It's crucial from both the points of view as given below:

From the customers' point of view: Today, in the highly developed and technologically advanced society, the customers have a great deal of choices and options (often very close and competing) to decide on or compare; (a) They have the products of an extreme range of products attributes (the 1st P - Product), (b) they have a wide range of cost and payment choices (the 2nd P - Price), (c) they can order them to be supplied to their door step or anywhere else (the 3rd P - Place) and (d) finally they are bombarded with more communications from more channels of information than ever before with the invent of information technology (the 4th P - Promotion).

From the marketers' point of view: "The purpose of marketing is to sell more stuff to more people more often for more money in order to make more profit." This is the basic principle of requirement for the marketers in earlier days where aggressive selling was the primary aim. It cannot be achieved by force, aggression or plain alluring. Customer today are more informed, more knowledgeable, more demanding,

more discerning and above all there is no dearth of marketers to buy from. The marketers have to earn them or win them over. The global marketplace is a study of diversity among consumers, producers, marketers, retailers, advertising media, cultures, customs and of course the individual or psychological behaviour. However, despite prevailing diversities, there also are many similarities. Consumer market is highly sensitive and driven by widely diversified culture in many countries.

The study of consumer behaviour is also very important to the marketers because it enables them to understand and predict buying behaviour of consumers in the marketplace. It is concerned not only with what consumers buy, but also with why they buy it, when, where, how they buy it, how often they buy it and also how they enjoy the services. Consumer research is the methodology used to study consumer behaviour; it takes place at every phase of the buying process: before the purchase, during the purchase and after the purchase. Researches shows that two different buyers buying the same product may have done it for different reasons, paid different prices, used in different ways, have different emotional attachments towards the things and so on. The market strategies are reframed to achieve organisational objectives depending upon knowing, serving and influencing consumers. This suggests that the knowledge and information about consumers is critical for developing successful marketing strategies. The relationship between consumers and marketers, consumer behaviour and marketing strategy is instable to attain organisational objectives.

Consumer behaviour is interdisciplinary approach based on concepts and theories about people that have been developed by behavioural scientists, philosophers and researchers in diverse disciplines such as psychology, sociology, social psychology, cultural anthropology and economics. The study of consumer behaviour also helps management to understand consumers' needs so as to recognise the potential for the trend of development of change in consumer requirements and new technology and also to articulate the new thing in terms of the consumers' needs so that it will be universally accepted in the market well. The following are few examples of the benefits of the study of consumer behaviour derived by the different categories of people: (a) a marketing manager should know about consumer behaviour as it will

help him to design better marketing plans to get those plans accepted within the company. (b) in insurance company the marketing department would like to know the policyholders need and (c) researchers want to analyse the consumer's decision process and ingredients of customer satisfaction.

2.6 DIFFERENT VIEWS ON CUSTOMER

Marketing scientists had noted that consumer does not always act or react as suggested by economic theory. Therefore customer is further analysed from different angle. Sometime consumers buy because of emotions involved in a purchase decision or several other reasons.

- (1) **Economic and Passive Customer:** Economic view explains the consumer as an economic man who buys rationally to maximize the utility (benefits) derived from a product or service. The passive view explains the consumer basically submissive to the self-serving interest and promotional efforts of marketers.
- (2) **Cognitive Versus Emotional Customer:** According to cognitive view consumer is defined as a thinker and problem solver. Emotional man is a reality of each of us because of deeply rooted feeling and emotions.
- (3) **Potential and Realised Customer:** There are three possibilities to identify the state of consumer; (1) non consumers (2) potential consumers and (3) realized consumers. A non consumer is an individual who has no need for a given product/service and is not likely to have need in the foreseeable future. An individual not currently purchasing may influenced to buy at some future point of time is referred to as a potential consumer. Realized consumers generally conform to our earlier definition of purchaser or shopper, since they are engaged in buying.
- (4) **Personal Consumer Versus Organisational Consumer:** The term consumer is often used to describe two different kinds of consuming entities; the personal consumer and the organisational consumer. The personal consumer buys goods and services for his own, for the use of the household, for just one

member or as a gift for a friend. In these context the goods are bought or finally use by individuals who are referred to as “end users” or “ultimate consumers.” Whereas organizational consumers buy for altering, modifying or reselling the products/services.

- (5) **Final Consumer:** Any person engaged in the consumption process is a consumer but these buyers can be identified by the type of market to which they belong. Two major types of market to which they belong are final consumer and industrial buyer. The final consumer market consists of individuals who buy for personal consumption or to meet the collective needs of family or household unit.
- (6) **Rural Consumer:** The rural market is one such segment that caught the fancy of certain Indian marketers in a big war. Marketer considers catering to the rural market as an opportunity, an antidote to the slow growth they faced in urban India. Rural consumers as a segment have several distinctive characteristics and the values aspirations and needs of this vast heterogeneous culture of rural consumers are quite different from the urban consumers.
- (7) **Women as a Consumer and Decision Maker:** Gender is considered as an important characteristic for consumer behaviour studies by marketers from past several years. They treat women as an exception rather than as normal average is a retrograde gap. Large number of experts felt that it is a fact of life that women consumer exhibit special traits and behaviour.

2.7 BUYING ROLES

For making strategic decisions the marketers have to identify the buyers who make the final buying decisions. It is truly a big task before the marketers to identify the target buyers of the particular service.

- (1) **Influencer:** Several people may be involved in a particular purchase decision, but all of them are not consumers. A person who has influence, whose views or advice is given weightage while taking the final decision.

- (2) **Gatekeepers:** Family members who control the flow of information about a product or service into the family.
- (3) **Initiator:** The person who is the first to suggest or think of the idea of purchasing a product or service.
- (4) **Decider:** The person who finally takes the decisions of whether to buy, what to buy, how to buy and from where to buy.
- (5) **Buyer:** The person who actually buy the product/service after making payments.
- (6) **User:** The person who actually uses or consumes the product or service.

2.8 CONCEPTS AND DIMENSIONS OF CONSUMER BEHAVIOUR

Consumer behaviour is an interdisciplinary science and relatively emerged as a new field of study in the mid to late 1960s. This new discipline is borrowed heavily from concepts developed in other scientific disciplines such as applied psychology, social psychology, cultural anthropology, economics and econometrics. Therefore, it is crucial to discuss various dimensions of consumer behaviour in the context of Indian consumer.

- (a) **Consumer Needs and Motivation:** Consumer needs are the basis of all modern marketing. The key to a company's survival, profitability and growth in a highly competitive environment is its ability to identify and satisfy unfulfilled consumer needs. Marketers do not create needs though in some instances they may make consumer more keenly aware of unmet need. Motivation can be described as the driving force within individuals that impels them to action.

The driving force is produced by a state of tension exists as the result of an unmet need. Motivation is a need-induced tension which exerts a "push" on the individual to engage in behaviour that he expects, will gratify needs and thus reduce tension.

Individuals strive both consciously and subconsciously to reduce this tension through behaviour that they anticipate will fulfill their needs. Consumer motivation is dynamic in nature because their wants are frequently changing.

- (b) **Consumer Psychographics:** Marketing practitioner and consumer researchers refer Psychographics as lifestyle analysis or AIO (activity, interest and opinions) research. Consumer specific psychographics researches are related to consumer personality, buying motives, interests, attitudes, beliefs and values. Services specific psychographics researches are related to product attributes such as consumer responses about products, brands or a specific consumption situation.

Consumer perception: Perception is defined as the process by which an individual selects, organises and interprets stimuli into a meaningful and coherent manner. Stimuli are sensory inputs include services, packages, brand names, advertisements and commercials. Sensory receptors are the human organs that receive sensory inputs. Sensation is the immediate and direct response of the sensory organs to simple stimuli.

Learning and consumer involvement: Consumer learning is the process of acquiring the knowledge related to purchase and consumption information.

Consumer attitudes: Attitudes are expression of inner feelings that reflects whether a person is favorably or unfavorably predisposed to some object, person or event. As an outcome of psychological process attitudes are not directly observable but must be inferred from what people say or do.

- (c) **Demographic Factors:** Demographics describe a population in terms of its size, distribution and structure. Demographics influence buying behaviour both directly and indirectly by affecting other attributes of individuals such as their personal values and decision styles. There are contradictory conclusions about the effect of age, income and gender for a particular service.

Age, age-groups, education level, income, occupation etc. serves as various dimensions of demographics. In India additional factors such as religion, social denominations, caste, age, family background, regional disparities in

states, linguistic difference, regional perception of class factor and the degree of impact of these factors in affecting the social status, all play crucial role in determining the social status of an individual.

- (d) **Economic Factors:** Wealth, home ownership, number of earning members in a family, household income, expenditure, rate of interest, inflation, economic conditions and investment pattern are some of the economic factors have strong influence on consumer purchase decision.
- (e) **Communication and Consumer Behaviour:** Communication is the transmission of messages from a sender to a receiver by means of signals of some sort sent through a channel. There are four basic components of all communications: a source, a destination, a medium and a message. There are two types of communication to which a consumer is exposed interpersonal communication and impersonal (or mass) communication.
- (f) **Socio-cultural Factors: Consumer in a group and consumer reference groups:** A group may be defined as two or more people who interact to accomplish similar goals. Consumer relevant groups are family, friends, formal social groups, shopping groups, consumer action groups, work groups, references groups etc. Four basic functions provided by the family are relevant to consumer behaviour these include; economic well-being, emotional-support, suitable family lifestyles and family-member socialization. Sociologists and researchers have strongly favoured the concept of Family Life Cycle (FLC) - a way to classify family units into significant groups. FLC is a strategic tool for marketers to segment families in terms of a series of stages spanning the life course of a family unit. Traditional family life cycle stages are bachelorhood, honeymooners, parenthood, post parenthood and dissolution.

Consumer and their social classes: Social class is defined as the division of members of a society into a hierarchy of distinct status classes so that members of each class have relatively the same status and members of all other classes have either more or less status. Social class is measured in terms of social status of its members and comparison of members of each social

class with other social classes. Some of the variables of the social class are occupation, income, educational level and property ownership etc.

Culture and consumer behaviour: Culture is a sum total of learned beliefs, values and customs that serves to direct the consumer behaviour of a particular society. Subculture can be thought as a distinct cultural group that exists as an identifiable segment within a larger and more complex society.

- (g) **Consumer and Consumerism:** The word consumerism has many expressions depending on who is using the term government, business, consumer groups, academicians and researchers. Consumerism is defined as a social movement of citizens and government to enhance the rights and powers of buyers in relation to seller.

2.9 BUYING PROCESS OR CONSUMER DECISION MAKING

A decision is the selection of an action from two or more alternatives. In other words, in order to make a decision, there must be a choice of alternatives available. If a person has a choice between making a purchase and not making a purchase, or a choice between brands, we can say that this person is in a position to make a decision. A “no-choice” decision is commonly referred to as a “Hobson’s choice.”

Buyer decision making is an attempt to solve consumer problems. A problem refers to a discrepancy between a desired state and an ideal state which is sufficient to arouse and activate a decision process. Thus problem can be major or minor and the broader and more ambiguous a problem is, the more potential solutions are generally available.

The study of buyer behaviour is the most dynamic marketing activities as the buyer rapidly change their preferences and are affected by multiple factors at a given point of time, are difficult to analyze. Therefore, it is necessary that continuous study of buying behaviour must be conducted and extended. This monitoring will make an understanding of marketing management to take effective decisions regarding service price, distribution and promotion. A marketer understands how buyer will respond to different service features, prices, advertising appeals and so on will have an enormous

advantage over his adversaries. When a buyer takes a decision to buy there is no rigid rule to bind them. Sometimes the decisions are taken on spot or after evaluating various alternatives available and reassuring himself with the opinion of those who have already purchased the service.

Four views of buyer decision making: Before presenting a simple model how consumers make decisions. For depicting consumer decision making it's important to consider several models of man. The term model of man refers to a general perspective held by a significant number of people concerning how (and why) individuals behave as they do. Following are the consumer-related models of man:-

- (1) **Economic man (Traditional view):** Economics reflects a world of perfect competition and the consumer is often characterised as an economic man. The economic theory of consumer behaviour was synthesized by Alfred Marshall from the ideas of Classical Economists and the proponents of theory of 'Marginal Utility.' Economic view explains the consumer as an economic man who buys rationally to maximize the utility (benefits) derived from a service. To behave rationally in the economic sense a consumer would have to be aware of all available service alternatives. The consumer would have to be capable of correctly ranking each alternative in terms of its benefits and disadvantages. According to leading social scientists this view is unrealistic because of three reasons (a) people are limited by their existing skills, habits and reflexes (b) people are limited by their existing values and goals (c) people are limited by the extent of their knowledge. However, consumers rarely have enough information, sufficient or sufficiently information, or even an adequate degree of involvement or motivation to make perfect decision.

Consumers are living in an imperfect world where they do not maximise their decisions in terms of economic considerations such as price- quantity relationships, marginal utility or indifference curves. Indeed the consumers are often unwilling to engage in extensive decision making activities and will instead settle for a "satisfactory" decision, one that is "good enough." For this reason, the economic model is often rejected as too idealistic and simplistic.

The economists described man as a rational buyer and viewed the market as a collection of homogenous buyers.

- (2) **Passive man:** This model is quite opposite to the economic model of man. The passive view depicts the consumer basically submissive to the self-serving interest and promotional efforts of marketers. Consumers are perceived as impulsive and irrational purchasers, ready to yield to the arms and aims of marketers. At least to some degree the passive model of the consumer was subscribed by the hard deriving salesman who is trained to manipulate customer. The passive man view fails to recognize that the consumer plays an equal (if not dominant) role in many buying situations by seeking information about service alternatives and selecting the service that appears to offer greatest satisfaction.
- (3) **Cognitive man:** According to this view consumer is defined as a thinking problem solver. Within this framework consumers are frequently depicted as either receptive to or actively seeking services that fulfill their needs and enrich their lives. The cognitive man focuses on the process by which consumers seek and evaluate information about the services. There are six types of consumer perceived risks (functional risk, economic risk, physical risk, social risk, psychological risk and time risk) which a consumer use to handle such as collecting information about alternatives, patronizing specific agents, brand loyalty etc. These risks are key components of cognitive view and consumers are viewed as information-processing systems. Consumer may use a preference formation strategy that is “other-based” in which they allow another person probably a trusted person or an expert to establish preferences to them.
- (4) **Emotional man:** Marketers prefer to think of customer in terms of either economic or passive models. Emotional man is also a reality of each of us because of deeply rooted feeling and emotions: joy, fear, love, hope, fantasy, sadness etc. These emotions have an impact on purchases and possessions.⁹ Such feelings or emotions are likely to be highly involved for making a purchase decisions. When a consumer makes any emotional purchase

decision, less emphasis tends to be placed on current mood, feelings, pre-purchase information and information search.

2.10 BUYING DECISION RULES

Buyer decision rules (often referred to as heuristics, decision strategies and consumer information processing strategy) are procedures used by consumers to facilitate brand or other choices. Such rules reduce the burden of making complex decision by providing guidelines or routines that make the process less taxing.

Buyer decision rules are classified in two categories compensatory and non compensatory decisions rules. Compensatory decision rule suggests a consumer evaluates brand options in terms of each relevant attribute and computes a weighted or summated score for each brand. The assumption states consumer will generally select the brand that scores highest among the alternatives evaluated.

Non compensatory decision rules do not allow buyer to balance positive evaluations of a brand on one attribute against a negative evaluation or some other attributes. Buying may be broadly categorized in two categories; individual buying and organizational buying.

Decision Approach and Purchase Pattern: Buyer approach to making purchase and their buying patterns are different as compared to final consumers in many ways.

- (1) **Formality:** Since many consumer purchases are likely to be complex and technical financial risks are considerably high, buying behaviour is much more complicated as compared to final consumer. Due to these reasons, there is a greater formality in decision making and often proposals, quotation requests and purchase contracts are involved in such decision making.
- (2) **Negotiations:** In most cases of consumer buying there are extensive negotiations between buyers and suppliers over a longer period of time. Some of the important reasons for lengthy negotiations include (1) the service complexity requires that specifications must be carefully spelled and agreed

upon (2) the other size tends to be large and purchase price is important and (3) usually many people are involved in researching a final purchase decision.

- (3) **Less Frequent Purchase:** Organisations generally make purchases less frequently than do final consumers. Firms might buy capital equipment that will be used directly in the production process for a number of years. Whereas a household keeps on purchasing his daily need services on a regular basis.
- (4) **Reciprocity:** Sometimes consumer buying transactions involve an arrangement in which two organisations agree to buy from each other. They might agree to buy services or raw materials from each other on certain pre-decided terms and conditions.
- (5) **Service:** In many instances consumer services must be customized for a specific consumer buyer. Product support activities such as services, installation, technical assistance and spare parts are critical.
- (6) **Frequent Purchase:** Household consumption and a regular demand of daily need services force consumers to buy certain services most frequently. In such cases consumer usually repeat his purchase on a regular interval.

Consumer Involvement: Products and services are offered to consumers keeping in mind their needs and valuable feedback. Marketers must develop services, segment market and communicate the suitability of the service accordingly. There are various types of buying decision processes. As the consumer moves from a very low level of involvement with the purchase to a high level of involvement, decision making becomes increasingly complex. While purchase involvement is a continuum, it is useful to consider nominal, limited and extended decision making as generated descriptions of the types of processes that occur along various points on the continuum. Buyer behaviour is based on the degree of buyer involvement for a particular service. Buyer decision making varies with the type of buying decision. The buyer behaviour can be divided in four categories based on the degree of buyer's involvement.

- (1) **Complex Buying Behaviour:** Consumer engages in complex buying behaviour when they are highly involved in a purchase and aware of

significant differences among brands. Consumer goes through complex buying behaviour when they are highly involved in a purchase and aware of significant differences existing among brands can be analysed by the customer. Consumers are highly involved in a purchase when it is expensive, bought frequently, risky and highly self-expressive.

- (2) **Dissonance-Reducing Buying Behaviour:** Sometime the consumers are highly involved but see little differences in the brands. The high involvement is based on the fact that the purchase is expensive, infrequent and risky. In this case the buyer will shop around to learn what is available but will buy fairly quickly perhaps responding primarily to a good price or to purchase convenience.
- (3) **Habitual Buying Behaviour:** Many services are bought under conditions of low involvement and the absence of significant brand differences. There is good evidence that consumers have low involvement with the low cost frequently purchased services.
- (4) **Variety Seeking Buying Behaviour:** Here consumer does a lot of brand switching. Some buying situations are characterised by low consumer involvement but significant brand difference. Some buying situations are characterised by high consumer involvement but less significant brand differences.

Types of Buying Decisions: There are many combinations and options available to the policyholders in the insurance sector. The buying pattern must be carefully planned so that policyholder can choose suitable plan as per their individual/family requirements. Some important of available patterns in insurance market are Whole Life, Term, Child, Wealth, Health, Rural, Retirements, Group and combination plans.

The term buying decision produces an image of an individual carefully evaluating the attributes of a set of services, brands or services and rationally selecting the one that solves a clearly recognized need for the least cost. It has a rational, functional connotation. Buyers do make many decisions in this manner however many other decisions involve little conscious efforts.

- (1) **Nominal Decision Making** is also referred as habitual decision making, it effect involves no decisions. A problem is recognized internal search provides a single preferred solution in the form of specific brand, that brand is purchased and an evaluation occurs only if the brand fails to perform as expected. Nominal decisions occur when there is very low involvement with the purchase. When a low premium group life insurance is offered by employer it could be a low involvement and vice versa.

- (2) **United Decision Making or Limited Decision Making** involves internal and external search and the buyer has few alternatives to make purchase decision. This decision could be made depending upon the few attributes of the products it also involves post purchase evaluation of possible alternatives.

It covers the middle ground between nominal decision making and extended decision making. In the simplest form, limited decision making is similar to nominal decision making. Limited decision making also occurs in response to some emotional or environmental needs.

- (3) **Extended Decision Making** involves an extensive internal and external information search followed by a complex evaluation of multiple alternatives and significant post purchase evaluation. It is in the response to high level of purchase involvement. Post purchase evaluation is significant as high level purchase involvement and a through evolution of purchase may be assessed. Relatively few consumer decisions reach this level of complexity. However services such as homes, insurance, personal computers and complex recreational items are purchased via extended decision making.

Levels of Buyer Decision Making: If all purchase decisions required extensive effort, consumer decision making would be an exhaustive process that left little time for anything else. On the other hand, if all purchases were routine, they would tend to be monotonous and would provide a little pleasure or novelty. Depending upon efforts ranging from very high to very low, there are three specific levels of decision making as described below:-

1. **Extensive Problem Solving:** When buyers have no established criteria for evaluating a service or specific brands in that category, or have not narrowed

the number of brands they will consider to a small, manageable subset called evoked set, their decision making efforts can be classified as extensive problem solving.

2. **Limited Problem Solving:** At this level of problem solving buyers have already established the basic criteria for evaluating the service and the various brands in this category. However they have no fully established preferences concerning a specific group of brands. Their search for additional information is more like “fine-tuning” they must gather additional brand information in order to discriminate among the various brands.
3. **Routinised Problem Solving:** At this level buyers have some experience with the service category and a well-established set of criteria with which to evaluate the brands in their evoked sets. In some situations, they may search for a small amount of additional information, in others they simply review to update the known information.

2.11 CONSUMERS CHOICES (OPTIONS/ATTRIBUTES)

Personality strongly impacts decisions of buyer. Consumer’s choice involves selection of one service/brand from a set of possibilities and on variety, reception of stimulators and excitement of trying from new stores. Sometimes choices are based upon judgments like consumer will purchase the services if they have a favorable attitude towards a product consumer choice involves selecting one service from a set of possibilities.

- (1) **Consideration Set:** Consideration set is the range of services that a consumers can recall on the basis of past experience before any new purchase.
- (2) **Price-List Cuing:** Consumer’s consideration sets are likely to vary over the time, depending on how many and which particular brands happen to be salient, vivid or accessible from memory at the time the purchase decision is rendered. This dynamic set of consideration set formation raises some interesting issues for marketing strategy.

- (3) The Attraction Effect: Another way to influence consumer's consideration sets by adding a new brand to a service line this is known as attraction effect.
- (4) Consumers compare attributes, trade-off across services rather than comparing one service with another.

2.12 BUYING/PURCHASE BEHAVIOUR

The output of the consumer decision making concerns two important issues associated to post decision activities purchase behaviour and post purchase evaluation. The objective of studying these activities is to increase the consumer satisfaction with his purchase.

Consumers make two types of purchases; trial purchase and repeat purchases. If a consumer purchases a service or brand for the first time and buys a smaller quantity than usual such purchase would termed as trial purchase. Thus a trial is the exploratory phase of purchase behaviour in which consumers attempt to evaluate a service through direct use. If a trial brand is found more satisfactory and better than other established brands/service, the consumers are likely to repeat the purchase. Repeat purchase behaviour is closely related to the concept of brand loyalty. Trial is not feasible in many cases due to certain reasons like highly priced product and budgetary constraints.

2.13 BUYING BEHAVIOUR MODELS

The influences of social science have prompted marketing experts to propound certain buying behaviour models for explaining buyer behaviour. These models are divided in two broad categories microeconomic and macroeconomic models. The classical microeconomic approach focus on type of purchase and quantity of these purchases made by the consumer. Macroeconomic approach considers the monetary value of goods and resources and how they will change over the period the period of time. Several models have been put forward for explaining buyer behaviour. All the social sciences like Economics, Psychology, Sociology and Anthropology have influenced the buyer behaviour studies. Some important consumer behaviour models are discussed below to nurture the ideas of social sciences:-

1. **The Economic Model:** According to economic model buyer is a rational man and his buying decisions are fully governed by the concept of utility. If the buyer has purchasing power of choosing a set of services to meet his need. He will allocate this amount over the set of services in a very rational manner with the intention of maximising the utility or benefits. People are limited by their skills, habits, reflexes, knowledge etc. Buyer's operate in an imperfect world in which they do not maximize their decisions in terms of economic considerations such as price-quantity relationships, marginal utility or indifference curve. The buyer usually unwilling to engage in extensive decision-making activities and satisfied with utility or benefits of a product.
2. **The Learning Model:** This model takes its cue from the Pavlovian stimulus model- response theory buyer behaviour can be influenced by manipulating the derives, stimuli and response of the buyer. The model rests on man's ability of learning, forgetting and discriminating.

Stimulus response theory on learning model has its beginning with Russian psychologists Ivan Pavlov. it is based on experiments made by Pavlov on feeding of a dog was preceded by the sound of a bell and found that dogs behaviour is conditioned, it is related to behaviour producing stimulus and behaviour response. The process of learning based on four fundamental factors drives, cues, responses and reinforcement. Driving is a strong internal stimuli impelling action. The cue is a weak stimulus in the environment determining when, where and how an individual responds to the drive. The action to cue is a response and reinforcement takes place when the action is rewarding. If the response is rewarding the individual tends to repeat the response, when the drive is aroused again. Repeated reinforcement leads to habit formation and the decision process for individuals become a routine affair. The Pavlovian model relates buyer behavior to the learning process and states that response of consumer depends on his experience and level of learning. Therefore, model suggests that marketers have to relate the service brand offering to internal drives of the consumers. Learning is not a perfect predictor of behavior; there are many other determinants of consumer behaviour such as promotional efforts, expert opinions, short of money, emotions

and feelings involved etc. Thus a learned response does not necessarily occur every time a stimulus appears.

3. **The Psycho-Analytical model:** The psycho-analytical model drawn mainly from Freudian psychology. Sigmund Freud added a new dimension to consumer behavior theories by introducing psychological elements of the consumer into their decision making. This model considers individual buyer as a complex set of deep-seated motives that derive him towards certain buying decisions. The buyer has his hidden fears, suppressed desires and totally subjective longings. His buying actions can be influenced by appealing these desires and longings. The model describes most superior and innovative implications to the marketer for designing a service message that suits the psychological needs of the consumer. The Psycho-Analytical theory helps the marketers to understand individual's real motive for purchasing a particular service or brand. It has caused marketers to realize that they must provide consumers socially acceptable rationalization for their purchase.
4. **The Sociological/anthropological Model:** According to the sociological model the individual buyer is influenced by society, intimate groups as well as social classes. Buyers buying decisions are not totally governed by utility; consumer has a desire to follow and fit it with his immediate environment.
5. **Social-Psychological Model:** This theory is proposed by Veblen in the context of behavioural aspects related to the economic and personality variables. Consumer behavior of any person can be understood by society and place of living. These social influences exert pressure and mould individual behaviour. Veblen saw man primarily as a social animal conforming to the general forms and norms of the culture surrounding him. The subculture, norms, reference groups, membership, social class, family and surroundings also mould his behaviour. The challenge to marketers is to determine which of these social levels are most important in influencing the demand for his service.
6. **The Nicosia Model:** Nicosia model and Howard and Sheth model belong to a category called systems model where human being is analysed as a system with stimuli as the input and behavior as the output of the system. Francesco

Nicosia an expert in the buyer behaviour and motivation proposed his model of buying behaviour in 1966. The model tries to establish a relationship between a firm and its buyers. The message from the firm first influences the predisposition of the buyer towards the product and services. Depending on the situation he develops a certain attitude towards the product and services. It may lead to a search or evaluation of the service. If these steps have a positive impact on a buyer it may result in a decision to buy. This is the sum and substance of the 'activity explanations' in the Nicosia model. The Nicosia model is divided into four major fields:

- (a) The buyer's attitude is based on message exposure: There are two subfields in this field. Subfield 1 includes aspects of the firm's marketing environment and communication efforts that affect buyer attitudes such as services attributes, competitive environment, characteristics of mass media, choice of copy and characteristic of the target market. Subfield 2 includes buyer's service search and evaluation, the act of purchase and feedback in the form of buyer experience to both the firm and buyer.
- (b) Buyer's search for and evaluation of the firm's output and other available alternatives: The second field of the Nicosia Model deals with the search for relevant information and evaluation of firm's brand in comparison with alternative brands. The output of this stage is motivation to purchase the specific brand.
- (c) The buyer's motivated act of purchase: In the third field the consumer's motivation toward the firm's brands results in purchase of the brand from a specific retailer.
- (d) The buyer's storage or use of the service: The final field consists of two important types of feedback from the post purchase experience; one to the firm in the form of sales data and other to the consumer in the form of experience (satisfaction or dissatisfaction). Experience of consumer with the service affects their attitudes and predispositions concerning future message from the firm.

The firm produces some type of communication that the consumer is exposed to. Attributes of the messages and the buyer determine the nature of the buyer's exposure to it and its influence on him. The attitude of buyer is input to the system. The buyer will probably become motivated to gain information at this point and search activity will involve searching internal memory for relevant information about the communication. External search may also occur. If the buyer process relevant information and begins to favour the firm's brand he will be motivated toward it. If nothing intervene this motivation leads to purchase. At this point a number of outcomes can occur. One outcome is that the firm receives feedback and another is that the buyer's attitude toward the brand may change because he gains experience. This service experience is feedback to the buyer's predispositions.

7. **Howard and Sheth Model:** This model is proposed by John Howard and Jagdish Sheth in 1969 in their publication entitled 'The theory of Buyer Behavior'. This model is a major revision of an earlier systematic effort to develop a comprehensive theory of consumer decision making. The model consider human being as a system with stimuli as input and outputs beginning with attention to a given stimuli and ending with purchase. In between the inputs and outputs there are variables affecting perception and learning. These variables are considered 'hypothetical' since they cannot be directly measured at the time of occurrence. It distinguishes three level of decision making:
- (a) Extensive problem solving: Early stage of decision making in which the buyer has little information about brands and has not yet developed well defined and structured criteria by which to choose among services.
 - (b) Limited problem solving: In this more advanced stage choice criteria are well defined but the buyer is still undecided about which set of brands will best serve him.
 - (c) Routinised response behaviour: Buyers have well defined choice criteria and also have a strong predisposition towards one brand. A little confusion

exists in the mind of a buyer and he is ready to purchase a particular brand with little evaluation of alternatives.

A simplified version of the basic Howard-Sheth model consists of four major sets of variables (1) Inputs, (2) Perceptual and learning constructs, (3) Outputs and (4) Exogenous/external variables.

Input variables in this model are stimuli in the environment. Significant stimuli are actual elements of brand that the buyer confronts whereas symbolic stimuli are generated by producers representing their services in symbolic form. Perceptual or learning construct are central component of the Howard and Sheth model consists of psychological variables that are assumed to operate when the consumer is contemplating a decision. Output variables are arranged in an order from attention to actual purchase. Attention- the magnitude of the buyer's information intake, comprehension- the buyer's store of information about brands, attitude- the buyer's evaluation of a particular brand's potential to satisfy his motives, Intention- the buyer's forecast of which brand he or she will buy, purchase behaviour- the actual purchase act which reflects the buyer's predisposition to buy as modified by any inhibitors. Exogenous variables are not directly part of the decision making process relevant exogenous variables include the importance of the purchase, consumer personality traits, time pressure and financial status.

Hypothetical constructs: A number of intervening variables are proposed and represented by hypothetical constructs in the "buyer's black box" are divided in two major groups:

- (a) Perceptual constructs dealing with information processing: There are three perceptual constructs sensitivity to information, perceptual bias and search for information.
- (b) Learning constructs dealing with buyer's formation of concept: Six learning constructs are motive, brand potential of the evoked set, decision mediators, predisposition, inhibitors and satisfaction.

- 8. Engle-Blackwell-Miniard Model:** This model was originally developed in 1968 by Engle, Kollat and Blackwell followed by number of researches on this model. Recently Miniard has contributed this model in conjunction with Engle and Blackwell. It stands as one of the most popular representation of buyer behaviour. The model is summarized in four sections (1) Decision-process stages, (2) Information output, (3) Information processing and (4) variables influencing the decision process.

Variables are grouped into four general categories: stimulus input, information processing, decision process and variables influencing the decision process. The model depicts buyer behaviour or decision process as the central focus of this model defined under five basic decision process stages. These stages are motivation and need recognition, search for information, alternative evaluation, purchase and outcomes.

Similar to Howard-Sheth model the authors recognize two significantly different modes of operation by buyers. One is described as extended problem solving behaviour (EPS) which is categorized by high levels of involvement and high level of perceived risk. In limited problem solving behaviour (LPS) the buyer is operating under low level of involvements and low level of perceived risk. The authors argue that the same basic model can be used to characterize both EPS and LPS, depending on the degree of various stages used by the buyer.

These models are helpful in gaining new insight into complex and dynamic buyer behavior. These models have their own pros and cons. Several other models were also proposed but the typical, complicated and unpredicted nature of buyer behavior could not be fully explained by anyone. Neither they establish a straight input-output equation on buyer behaviour nor they provide a precise answer to the why's or how's of buyer of buyer behaviour. It is essential to understand various dimensions of buyer behavior for developing a sound marketing strategy for a product or a service. The working on buyer mind is still a mystery for marketers.

- 9. Sheth Family Decision Making Model:** Three comprehensive models presented were far all focusing on individual decision making model. An

alternative perspective considered the family as an appropriate decision making unit. This model shows separate psychological systems representing the distinct predispositions of the father, mother and other family members. The separate predispositions leads into family buying decisions which may be either individually or jointly determined. The model lists seven factors that influences purchase decision are autonomous or joint: social class, lifestyle, role orientation, family life cycle stage, perceived risk, service importance and time pressure. The model suggests that joint decision making tends to prevail in middle class families, newly married and close relation. It is suggested that joint decision making is more prevalent in situations of high perceived risk and uncertainty. The joint purchase decision is also considered important when there is ample time to make a decision.

- 10. Bettman's Model:** Bettman model of buyer choice portrays that buyer has limited capacity for processing information. When the product of choice is available the consumer rarely analyse other alternatives available in the market. The Bettman's model suggest that the buyer employs simple decision making. Bettman model consists of a series of interrelated flowcharts that depict various dimensions of the buyer choice process. The Bettman model illustrates its seven basic components: 1.Processing capacity, 2.Motivation, 3.Attention and perceptual encoding, 4.Information acquisition and evaluation, 5.Memory, 6.Decision process and 7.Consumption and learning process.

Processing capacity component influences the other major components of the model. Motivation is another central component of the Bettman Model. It influences both direction, intensity of consumer choice and stimulates the consumer to seek information necessary to evaluate alternatives and make a choice. Motivation provides momentum to consumer by a hierarchy of goals mechanism in a dynamic force that takes the form of a series of intermediate sub goals and lead to a desired end state by selecting a product or service.

The attention and perceptual encoding components are closely related and influenced by the consumer goal hierarchy. There are two types of attention voluntary and involuntary. The perceptual coding element is an extension of the attention component. The consumer organises and interprets perceived

stimuli and provides insights into the need for additional information. The consumer undertakes external search to the extent that information now available in memory is inadequate. New information is evaluated on the basis of its suitability or usefulness. The consumer continues to acquire additional information until all relevant information has been secured. Memory is the component through which all information flows. Consumer begins the internal search for information through his memory to reach on a conclusion to select product or service. If the internal information is inadequate the consumer undertake external search.

According to this model different types of choices are normally made in conjunction with the fulfillment of specific components of the model. Thus the choices made during the decision process component are a particular form of choice. The consumption and learning component of this model is concerned with future utilization of experience acquired after the purchasing a product.

11. **Sheth Newman Gross Model of Consumption Values:** This model explain the reasons of selecting a product by the consumer. The model concentrates on assessing consumption-relevant values that explain why consumers buy a product or not. This model describes three central propositions: (1) Consumer choices is a function of small number of consumption values, (2) Specific consumption value make differential contribution in any given choice situation and (3) Different consumption values are independent. The model describes five consumption values that are core of this model. Functional value of a consumer choice is the perceived functional utilitarian or physical performance utility received from the choice's attributes. This is associated with economic utility theory. Social value of a choice is the perceived utility acquired because of the association between one or more specific social groups and a consumer's choice. A consumer choice gains social value by being linked with positively or negatively stereotyped demographic, socioeconomic and cultural ethnic groups.

Emotional value of a choice is perceived utility acquired from its capacity to stimulate the consumer's emotions or feelings. A choice acquires emotional value when associated with specific feelings or when it triggers or sustain those

feelings. Products and services are frequently associated with emotional responses.

Epistemic value of a choice is the perceived utility that comes from the choice's ability to foster curiosity, provide novelty and satisfy a desire for knowledge. New purchase and consumption experiences, especially offer epistemic value.

Conditional value of a choice is the perceived utility acquired by a choice as an outcome of some particular situation or circumstance facing the consumer.

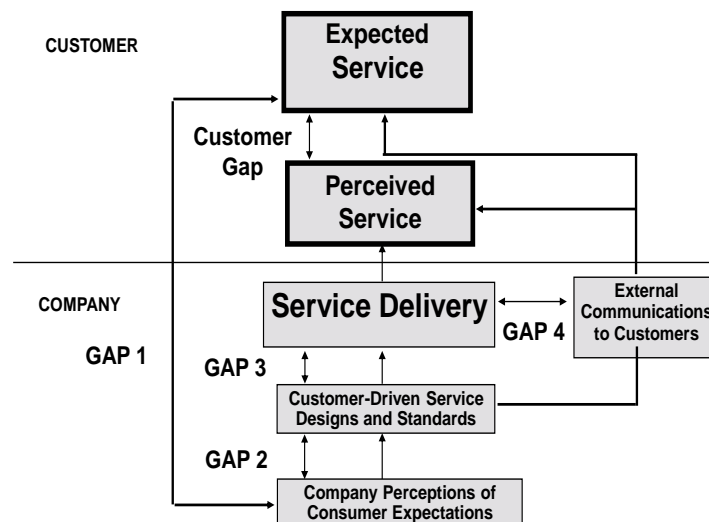
The model proposes that consumer choice behavior may be influenced by any or all of these five consumption values. The model is based on conceptual composition and measurement of five component values in different consumer choice situations. The model has already been tested in more than 200 consumer-choice situations.

12. **Andreasan Model:** This model develops a general model of buyer's choice behaviour based on several conceptions about attitude formation and change drawn from social psychology. According to Alan R. Andreasan the attitude changes are exposure of various kinds of information. These exposures may be voluntary or involuntary. The entire process comprises of four stages namely input stimuli, perception and filtration, disposition changes and various feasible outcomes.

There are two principle strategies adopted by marketers to attract favourable purchase decisions. Market segmentation strategy attempts to fit in existing attitude and behavior in terms of service design, distribution etc., while service differentiation strategy attempts to change attitude and behaviour to make the consumer accept a particular service. Attitude formation and change are central concept of this model. There is a difference between what the actual information is and ways people perceive it. Information is not stored objectively but subjectively to perceptual judgment. A marketer should try to build a favourable attitude in consumer. This model is comprehensive, highly complex and based on the concepts of consumer learning along with attitude formation as integral part.

Traditional theories concerning consumer behaviour were based on economic theory whereas later researches discovered that consumers purchase impulsively and influenced not only by family, friends, role models and advertisers, but also by mood, situation and emotion. All reflects both the cognitive and emotional aspects of consumer decision making.

13. Consumer Decision Making Models in Services



Gap Model of Consumer Behaviour

This model considers five important gaps need to be identified while finalizing marketing strategies and analyzing consumer behaviour. The model consider buying as a continuous circle and for achieving customer satisfaction it is mandatory to analyse these gaps.

Customer Gap: difference between expectations and perceptions

Provider Gap 1: not knowing what policyholders expect

Provider Gap 2: not having the right service designs and standards

Provider Gap 3: not delivering to service standards

Provider Gap 4: not matching performance to promises

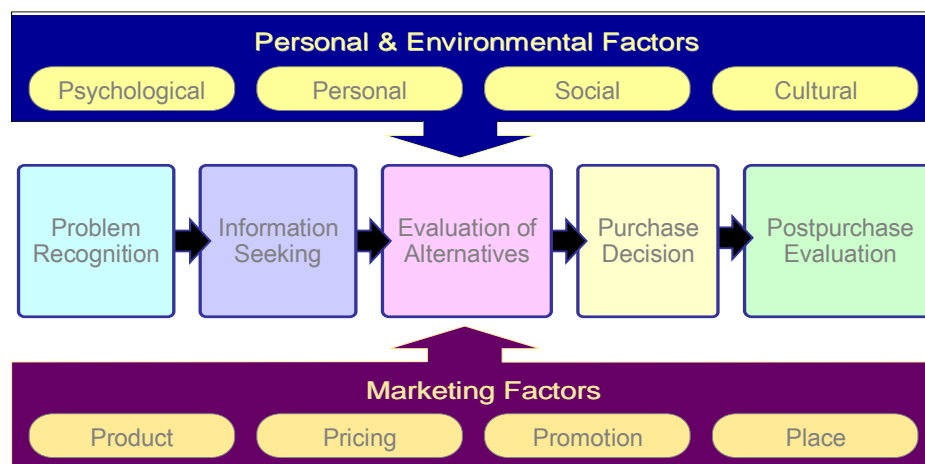
2.14 A SIMPLIFIED MODEL OF BUYER DECISION MAKING

The process of buyer decision making can be viewed as three different interlocking stages; the input stage, the process stage and the output stage. The input stage influences the buyer's recognition of a service need consist of two major sources of information; the firms marketing efforts and the external sociological influence. The process stage of the model focuses on how buyers make decisions. The psychological factors inherent in each individual affect how the external inputs from the input stage influence the buyer's recognition of a need, pre-purchase search for information and evaluation of alternatives. The experience gained through evaluation of alternatives affects the buyers existing psychological attributes. The output stage of the buyer decision making model consists of two closely related post-decision activities purchase behaviour and post-purchase evaluation.

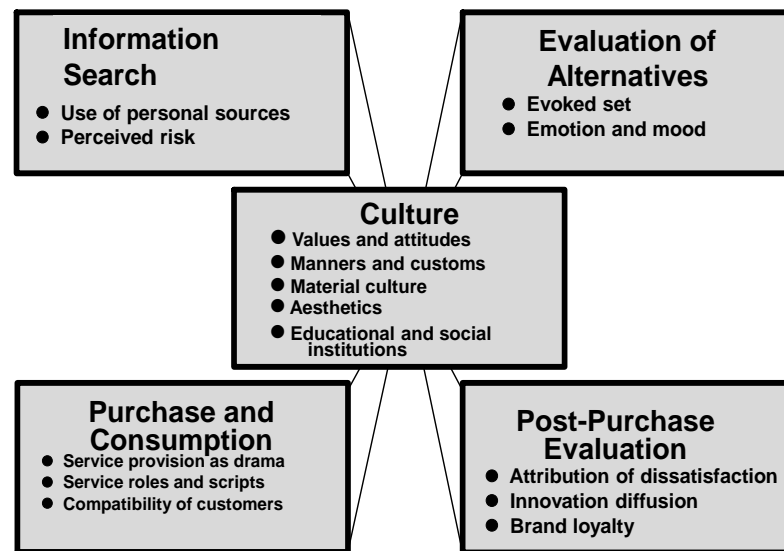
The Buying Process

Buyer behaviour involves a mental process as well as physical activity. The buying behavior and purchase decisions need to be studied thoroughly to understand, predict and analyse critical market variations. Buyer is a riddle, highly complex entity want to satisfy his innumerable needs and desires. The five steps involved in buying process are described briefly.

The Consumer Buying Process



- (1) **Problem recognition:** Problem recognition results when a buyer recognizes a difference of sufficient magnitude between perceived benefits and actual benefits derived from a product or service. The buying process starts when the buyer recognizes a problem or need. The consumer began to feel a problem in the form of a certain need or desire. The needs can be triggered either by internal stimuli like hunger, thirst etc., or by external stimulus generally referred to as a sign or cue. Depending on the intensity of the want, the person will try to fulfill the unsatisfied want.
- (2) **Information search:** Information is to know about a service, attributes of service, prices, stores and so on. Search may be categorized in four categories pre-purchase, ongoing, internal and external. An aroused buyer may or may not search for more information. If the buyers derive is strong and the desired service to satisfy the need is easily available then he or she may not search for more information. The extent of search activity depends upon the strength of derive, the amount of information buyer already have, the ability to obtain additional information, the importance or value given to gathering additional information and the satisfaction buyers gets from information search. Buyers engage in both internal and external information search. Internal search involves the buyer identifying alternatives from his or her memory. For certain low involvement services, it is very important that marketing programs achieve “top of mind” awareness. For high involvement services, buyers are more likely to use an external search. A compensatory decision involves the buyers “trading off” good and bad attributes of a service. The amount of effort a buyer puts into searching depends on a number of factors such as the market, number of competitors, differences between brands, service characteristics, important of services and situational characteristics.
- (3) **Evaluation of alternatives:** Evaluation involves those activities undertaken by the buyer to compare alternatives carefully on the basis of certain criteria, alternative solutions to market related problems etc. The marketers are interested in knowing how the buyer processes information to arrive at brand choice. There is no single evaluation process used by the buyers or even one consumer in all purchase decisions.



Categories of evaluation of alternatives in services

The first concept is we assume buyers views a product/service based on certain attributes. Second concept is the buyer likely to have a predetermined notion or a set of brand beliefs about where each brand stands on each attributes. The marketers must not conclude that the salient attributes are the most important ones. Some of them may be salient because the buyer has just been exposed to a commercial message mentioning them or has had a problem involving them, hence making these attributes “top of the mind”. Furthermore, non salient attributes might include some that the buyer forgot, but their importance would be recognized when mentioned. Third, the buyer is likely to develop a set of brand beliefs about where each brand stands on each attribute. The set belief held about a particular brand is known as the brand image. Fourth, the buyer is assumed to have a utility function for each attribute. The utility function describes how the buyer expects service satisfaction to vary with different levels of each attributes. Fifth, the consumer arrives at attitude (judgment, preferences) towards the brand alternatives through some evaluation procedures.

Buyers have been found to apply different evaluation procedures to make a choice among multi-attribute objects. Some alternative decision process used

by buyers to evaluate alternatives are: Expectancy model, Ideal brand model, Conjunctive model, Disjunctive model, Lexicographic model, Determinance model etc.

- (4) **Purchase decisions:** Actual purchasing process of buyer seeking to build a better understanding of how buyers make their purchases. The earlier mentioned evaluation step helps the consumer in arriving at a purchase intention. In the decision evaluation stage, the consumer forms preferences among the brands in the choice set. The consumer may also form a purchase intention and lean towards buying the most preferred brand. However factors can intervene between the purchase intention and the purchase decision. There are certain factors which may come in the way of his/her purchase intention and purchase decision.
- (a) The attitude of others: By other we mean people who are close to the buyer and their reaction or attitude towards the purchase intention of the prospect.
 - (b) The unanticipated situational factors: These factors may influence the purchase intention such as transfer to another place, priority given to another purchase etc. The more intense the other person negativism and the closer the other person are to the policyholder, the more the consumer will revise downward his/her purchase intention. The purchase intention is also influenced by unanticipated situational factors. The buyer forms a purchase intention on the basis of such factors as expected family income, expected benefits from the service. When the buyer is about to act, unanticipated situational factors may erupt to change the purchase intention. Thus preferences and even purchase intentions are completely reliable predictions of purchase behaviour. Many purchases involve certain risks taking. A buyer develops certain routines for reducing risk such as decision avoidance, information gathering from friends and preferences for national brand names and warranties.

A buyer who decides to execute a purchase intention will be making up to five purchase decisions brand decision, vendor decision, quantity decision, timing decision and payment-method decision.

- (5) **Post purchase behaviour:** Once the buyer makes a decision to purchase a product or service there can be several types of additional behaviour associated with that decision such as decisions on service uses and decision on services related to the item purchased. The marketer's job continues even after the service is bought especially since he has to learn a lot from the post purchase behaviour undertaken by the buyer. This will be indicative of whether the buyer is experiencing post purchase satisfaction or not. **Post Purchase satisfaction:** The level of satisfaction experienced by the buyer after his purchase will depend on the relationship between his expectations about the service and performance of the service. After purchase of a service a buyer may detect a few. Some buyers will not want the flawed services whereas others will be indifferent to the flaw and some may even see the flaw as increased cost of the service. The buyers post purchase actions will provide necessary feedback to the marketers as to whether he/she is satisfied or dissatisfied with the product or service acquired. A satisfied buyer will act as an informal 'word of mouth' for the firm whereas a dissatisfied buyer will react in an entirely different manner. **Post purchase action:** The satisfaction or dissatisfaction with the service will determine subsequent performance of the service in the market. If the buyer is satisfied then he will exhibit a higher probability of repeat purchase of the service. The satisfied buyer will also tend to say good words about the service. Whereas a highly dissatisfied buyer will not buy the service again and spread negative words about service and company.

2.15 BUYER DECISION PROCESS TOWARDS NEW SERVICES:

- (1) **Awareness stage:** In this stage an individual comes to know about a new innovation or new idea or new product/service. He becomes aware of the innovation from any source of information like friends or neighbors, co-

workers, commercial sources etc. The individual only learns about knowledge, innovations from either of the sources of information. This means his knowledge about the new innovation is only limited to extent the information generated by the source of information from where he first learns about the new innovations.

- (2) **Interest stage:** After being aware of innovation in this stage the buyer feel stimulated and is interested in the innovation to seek more information in terms of its utility aspects, its performance, durability and so on. The in depth information sought by him will try to be obtained from all the sources he finds reliable.
- (3) **Evaluation stage:** Based on all the information gathered by the individual buyer will evaluate and make decision whether it is worthwhile or whether it will make sense and do him good to try out the innovation. In other words from all the collected information related to innovation buyer will mentally try to evaluate the service attributes and work out to what extent the new service will be useful and then decide whether or not to try the new service.
- (4) **Trial stage:** After evaluating the worthiness of the new service the buyer may decide to try out the innovation on a small scales basis initially to make an actual assessment of the value of the new service. This stage also indicates that now the buyer is mentally prepared to try out the innovation, through initially on a small scale. The buyer wants to experiment with the innovation and depending on how comfortable he feels with to service, he will decide whether to go for large scale use or not. Since the buyer is not sure about the outcome of the use or consumption of the new service or innovation, he feels it more logical and practical to go for a trial before extending it to full fledge use.
- (5) **Adoption stage:** After deriving the satisfaction from the purchase of new service on a trial basis, the buyer decide upon whether to extend full fledge use or not. This is the last stage in the adoption process. The buyer takes the final decision for the further use of service. The adoption process model is suggested by Everett M. Rogers describes five stages of adoption; knowledge

(awareness stage), persuasion (forming attitude), decision, implementation and confirmation.

2.16 INDIVIDUAL DIFFERENCE IN INNOVATIVENESS

- (1) **Innovators:** After being aware of and seeking more information of new services only few buyers normally try out the new services. These people are referred to as pioneers or innovators of the new service. Innovators are venturesome and are easily assessed to new ideas.
- (2) **Early adopters:** The early adopters are the other buyers who adopt the new ideas and services after innovators. The people do not immediately plunge into buying as soon as a new service is available in the market. The early adopters also take to purchasing or trying new service quite early but after carefully verifying and gathering information about the new idea or new service from authentic sources. Marketers have identified that the early adopters are usually recognized as opinion leaders in their social circles or community.
- (3) **Early majority:** The early majority are the buyers who adopt new service after some time and after careful investigation. These people are more deliberate as compared to the innovators or early adopters. These people are more thoughtful, shrewd and will not easily get swayed by new services or innovation.
- (4) **Late majority:** The other buyers who adopt services a little later are referred as late majority. These people unlike the earlier mentioned categories of adopters to the innovation are more conservative in their approach and do not immediately respond in favour of a change. Their acceptance of the new service will come into effect only after a public opinion is in favour of the new product or service. The late majority are people with limited education and have an average social status, drawing limited salary and consequently having limited purchasing power.
- (5) **Laggards:** This is the last category of buyers to adopt a new service, comprising of rest of the people. As the term “laggards” indicate, these people are who lagging behind and here in their acceptance of innovations. These

people are very conservative, tradition bound. A lot of deliberation, caution and suspicion exhibited in their buying decisions for new services. They generally prefer to mingle with people of similar traditions.

2.17 DETERMINANTS OF BUYER BEHAVIOUR

There are various factors influencing buyer behaviour can be grouped in three categories:

- (A) **Internal Influence:** Factor that are part of the buyer as an individual. Demographic and Personal factors- age, education, economic position, status, self concept; religion, language; psychological/ behavioural factors: beliefs, attitudes, motivation, perception and learning.
- (B) **External Influence:** Buyer's social environment – Since there are two broad groups of which an individual is a part: influence of intimate group and influence of the broad social class.
- (C) **Environmental Influence:** Information from a variety of sources- The rational buyer is exposed to various sources of information/situations these sources inform him about new products and services, improved versions of existing services, new uses for existing services and so on. These could be inhibitors in a buying process such as price, brand, availability, time, place or other determinants.

2.17.1 Internal Influences

Demographical: Demographics describe population in terms of its size, distribution, structure and vital characteristics or personal characteristics of individual buyers such as age, education, economic conditions. These are most often used as the basis for market segmentation because these characteristics usually influence consumer choice and decision making. Demographics influence consumption behaviour directly by affecting other attributes of individuals such as their personal values and decision styles. The major disadvantage of demographic segmentation is that it tends to be one-dimensional and does not differentiate among brands. Most of secondary data,

including census data are expressed in demographic terms. Media and marketers also use demographic profile for their editorial focus to attract advertiser with matching consumer profiles. Demographic variables essentially refer to personal statistics such as income, gender, education, location (rural vs. urban, East vs. West), ethnicity and family size.

Population Size and Distribution: The population of India is approximately 1.6 billion people and it is expected to grow despite a decline birthrate due to longer life expectancies. More than two third of the population lives in the rural areas. Urban India has also a significant migratory population which rooted in villages. The major rural occupations are seasonal and agriculture. There is a vast diversity of income and there are distinct income category. A recent study has found that more than four hundred individuals earning over a crore of rupees per annum reside in rural Haryana.

Due to the geographical spread of India there are many environmental and cultural differences between different regions in India. The differences in people's cooking habits, diets, food consumed and taste preferences are clearly very different across regions in India. The marketers have successfully changed their service features, communication, pricing, services etc.

Age and Life Cycle: Services needs and interest often vary with consumer age. Marketers have found age to be a useful demographic variable to distributed segment. A specific age group known as "cohort" (aggregate of persons those who born in between a specified period) is studied by most of the researchers for understanding buyer behaviour of a generation. People buy different goods and services over the lifetime. Buyer's taste in clothes, furniture and recreation are also age related. Youngsters, early middle aged, middle aged, late middle aged, early old aged, old are some of the demographical determinants. Many marketers have carved out a niche in the marketplace by concentrating on a specific age group for segmentation. Proper age positioning is critical for many services. Age carries culturally defined behavioural and attitudinal norms. It affects our self-concept and lifestyles. The age shapes the media buyer use, how they use services and how they think and feel about marketing activities. According to population census of 2001 there were 35 percent

Indians below 15 years of age and over 50 percent were below 25 years of age. This would become a large, demographically similar market which earns to spend as per the emerging culture of material success and aspirational lifestyles in coming years.

Age is related to the stage in life with typical needs at different age levels. It is observed that cultural moorings, mindsets and consumption habits are also significantly different across ages or generations. These significant differences that emerged in to cultural values and attitudes. Each age group presents a significant volume of buyers. The young are more prone to experiment than those with set habits are more traditional or norm driven in their mindsets. On one hand, in the generation that values savings and believes in being thrifty, having gone through post Independence era of scarce resources and consumption, where simplicity was esteemed as a lifestyle and as a personal value and was culturally apt as well as was a respected aspect of individuals. They have probably imbibed the importance given to the age old values of thrifts and savings, which have imbued these generations with cost consciousness. On the other hand, is the movement that eschews the values of avoiding ostentatious or luxurious or even comfort driven lifestyles or of subsuming their individuality to the socially “correct” and tradition bound ways of life. Indian consumers are value conscious and value for money buyers and are extremely cost conscious (across all income groups), yet these marketing people base their communication on the prestigious, the luxurious and so on and not so much on the price. The usage of credit for purchase itself is an area of great change.

Sex: Male and female dominating decisions are discussed in the context of different types of services as well as for marketing segmentation. According to many authors some decisions are male dominated, some are female dominated and others are joint in nature. Gender is another important variable to distinguish between male and female consumers. But from past few decades sex roles are neglected by marketers as it is not an accurate basis for differentiating consumers. Much of the sex roles have been discussed because of the upsurge in the number of working women.

Marital Status: The family has focus of marketing efforts for many products and services as the household continues to be the relevant consuming unit. There are more

autonomy and less influence among unmarried as compared to among married couples. However these patterns vary from service to service and from decision stage to decision stage. Marketers are interested in the number and kinds of households that own and/or buy certain services. They are also interested in determining the demographic and media profiles of the household decision maker in order to develop appropriate marketing strategies.

Income: Income is an important variable for distinguishing market segments. A major problem with segmenting market on the basis of income alone is that income simply indicates the ability (or inability) to pay for a service. For this reason, marketers often combine income with other demographic variable(s) to define target markets accurately. Personal income is the income from wages, salaries, dividends, rent, interests, business/professions, social security and farming. Disposable personal income is the amount available after deductions (taxes) for personal consumption expenditure and saving. Income has long been an important variable for determining buyer behavior. The discretionary income is the income available for spending after deducting expenditures for necessities or fixed items such as food, clothing, transportation, shelter and utilities. A household's income level combined with its accumulated wealth determines its purchasing power. While many purchases are made on credit, one's ability to buy on credit is ultimately determined by one's current and past income (wealth). As developing economy, Indian has seen income rising amongst a growing number of household across both urban and rural markets. However, the typical middle and lower middle class dominance in household income and expenditure can be seen from the fact that number of registered vehicle is increasing from past few decades.

The NCAER established a five level classification in their 2002 report and stated that over two 2 percent of the population consisted of very rich households in terms of consumption levels. Their 2005 study, classifying consumers in four categories of deprived, aspiring, middle class and the rich, has been quoted as stating that by the end of the century, over 1.25 lakh households would have an annual income of more than ten million rupees.¹⁰

Education: The levels of education achieved by buyer such as Graduate, Post Graduate also influence buyer behavior. India is increasingly seen as a country with a future in knowledge based economy; this base will contribute significantly to the GDP, the per capita income and the general disposable income that flows back to the economy through higher consumption standards. Education levels usually determine occupational chances and thereby income. Education may also affect skills and expertise and thereby income, even in agricultural and entrepreneurial ventures such as with mechanized scientific farming or technocrat ventures. Experts also argue that with the largely agrarian economy at present and prevailing low levels of high school, college and vocational educational levels in the population. It may be difficult to transform our economy into a largely knowledge based one at present. However, the gross number of knowledge workers is quite large. Further their contribution to the economy is also seen to be growing at a much higher rate than that of the workers in any other sector. With decreasing population growth rates and better life chances, population is getting greater education. Families in the lower income categories are also sending their children to school, which to some extent increases the growth in literacy, as well as the gross numbers of children in school. This number of children making it to the high school stage has increased significantly in the last decade. The number of professional college has also grown. Literacy affects consumer markets in many ways. At one end, it signifies occupational status and consumption baskets to some extent. It is also indirectly indicates the general awareness of the consumer and likely sophistication of information search and evaluation. It also determines the modes of information search and the media and content that may be communicated by the marketer. The exposure of consumers to various media is also seen as influenced by education levels, as reported by various readership surveys.

Occupation: Occupation of the buyer also influences consumption pattern. The workforce diversity is providing variety of occupations such as service occupation, blue collared and white collared. The education, occupation and income tend to be closely related. Occupation is probably the most widely applied single cue people use to initially evaluate and define individuals. Occupation is strongly associated with

education (which to some extent determines occupation) and income (which to some extent is determined by occupation).

One's occupation provided status and income. In addition, the type of work one does and the types of individuals one works with over time also directly influence one's values, lifestyle and all aspects of the consumption process. Differences in consumption between occupation classes have been found for products and services. Media preferences, hobbies and shopping pattern are also influenced by occupational class.

Given the occupation is so closely linked with qualifications and education on one side and opportunities in life and lifestyles on the other. It has been observed that in India, the role of caste, region and developmental status of the residential area has also played a role in occupations of people. The society had earlier been defined in castes which were hereditary and occupation ran in the family. In many cases, especially in artisan, farming and other occupations, family jobs are taken up by succeeding generations. Further, since it badly affected income and hence education and awareness, the changes in the occupational profile have been slow to catch on. However, the last decade has changed the opportunity profile and the economy in terms of skills and employment opportunities as well as remuneration pattern. Further, with better health and life chances and smaller families, education has also spread to a significant extent. This has led to a change in the occupational profile of the population significantly. The service is now the largest part of the economy and engages a large part of working population. Change in rural occupation pattern has been slow, as the household industry is not that widespread and rural economy is still primarily agri-produce oriented and not agri-processing oriented or mechanized in nature.

Economic Circumstances: Service choice is influenced by one's economic circumstances. People economic circumstances consists of spending behaviour, level of spendable income, stability of income, savings, assets, debts, borrowing power, attitude toward spending.

Geographical: In geographic segmentation, the market is divided by location. The theory behind this strategy is that people who live in the same area have similar needs and wants and that these needs and wants differ from those of people living in other

areas. Some regional differences can be accounted for by climate. Marketers observed divergent consumer purchasing patterns among urban, rural and suburban areas.

Geo demographic: People share similar financial means, life styles and consumption habits. Geo demographics is not a new concept it is age old and useful when the personalities, goals and interest of an advertiser can be isolated in terms of where they live.

Location: The place where a buyer resides and stays for a longer time. Transportation, mode of conveyance, development in the residential area, educational and industrial advancements are some of the factors influencing buyer behaviour and buying decisions.

City or Metro: The place where a buyer resides is part of urban, sub-urban, metropolitan or rural areas, facilities, advancements, mall culture, fashion, trends, status and living parent of geographical area also influence buying decisions.

Climate: Weather, temperature and other climatic conditions are components of geographical factors that may influence decision making of individuals for their purchases.

Regional Differences: Urban, sub-urban, rural or the regional disparities due to environmental factors are also determinants of buyer behaviour.

Psychological/psychographic: Psychological characteristics refer to the intrinsic qualities of the individual consumer. Such qualities are often used as segmentation variables. For instance, consumer may be segmented in terms of their needs and motivations, personality, perceptions, learning, level of involvement and attitudes.

Personality: Personality is an individual's characteristic response tendencies across similar situations. Personality is a person's distinguishing psychological characteristics that lead to relatively consistent and lasting responses to stimuli in the environment. While there are many personality theories, all have two common assumptions: (a) all individuals have internal characteristics or traits and (2) there are consistent and measurable differences between individuals on those characteristics. Single-trait theories emphasises one personality trait as being particularly relevant to understanding a

particular set of behaviours. They do not suggest that other traits do not exist or are not important; rather, they study a single trait for its relevance to a set of behaviours. Multi-trait personality theory specifies several traits that in combination capture a substantial portion of the personality of the individual.

Psychographics: By personality we mean a person's distinguishing psychological characteristics that lead to relatively consistent and enduring responses to his environment but analysis of psychological traits in the context of service choice is known as psychographics (or life style analysis). Psychographic study can be either generic or service specific. The difference between psychographics and life style can be identified as:

- **Lifestyle** is a pattern of living expressed through a person's activities, interests and opinions. A person's lifestyle is the person's pattern of living in the world. Lifestyle portrays the whole "person" interacting with his environment.
- **Psychographics** is a technique for measuring personality and lifestyles to developing lifestyle classifications.

Self concept: Self-concept is defined as the totality of the individual's thoughts and feelings towards an object. It is an individual's perception and feelings toward oneself. In other words self-concept is composed of the attitudes one hold towards oneself. Interdependent/Independent Self-Concepts: The self concept is important in all cultures. However, those aspects of the self that are most valued and most influence consumption and other behaviors vary across cultures.

Values: Consumer values differ individually. These values have a substantial influence on their decisions. Observable shifts in behaviour, including consumption behaviour often underlying shifts in cultural values, widely held beliefs that affirm what is desirable. Therefore it is necessary to understand the underlying value shifts in order to understand current and future consumer behaviour. India has traditionally been very participative, socially involved and norm driven society.

Tastes: Individual differs and their preferences also differ from time to time. Taste is one of the major determinants of buyer behavior.

Preferences: A buyer prefers certain characteristics of service over others also influence buyer behaviour.

Financial means: Sources of income, expenditure and spending nature of a buyer is also a determinant of buying behaviour.

Consumption Habits: The frequency of consumption and way of consumption are also important determinants of buying behaviour.

Perception: Our perception is an approximation of reality. Perception is defined as a process by which an individual selects, organises and interprets stimuli into a meaningful and coherent picture of the world. Perception helps in developing attitude of a consumer that may influence buying decisions.

Learning: Learning involves “a change in the content or organisation of long term memory or behavior.” Learning involves changes in an individual’s behaviour arising from experiences. There are three types of learning that may determine buyer behaviour.

- (a) **Classical conditioning:** The process of using an established relationship between a stimulus and responses to bring about the learning of the same response to a different stimulus is called classical conditioning. Many modern day advertisers use classical conditioning in some way.
- (b) **Operant conditioning:** Instrumental learning or operant learning differs from classical conditioning primarily in the role and timing of reinforcement. Operant conditioning often involves the actual usage of the service. Thus a great deal of marketing strategy is aimed at securing an initial trial. Instrumental, or operant, conditioning, involves a different series of events and this what we usually think of as learning. There are three major forms of operant learning. In positive reinforcement, an individual does something and is rewarded. He or she is then more likely to repeat the behavior.
- (c) **Cognitive conditioning:** Cognitive learning encompasses all the mental activities of humans as they work to solve problems or coping with situations. It involves learning ideas, concepts, attitudes and facts that contributes to our ability to reason, solve problems and learn relationships without direct

experience or reinforcement. Cognitive learning can range from very simple information acquisition to complex, creative problem solving.

Memory: Memory is total accumulation or prior learning experiences. It consists of two interrelated components short term and long term. These are not distinct physiological entities. Instead, short-term memory is that portion of the total memory that is currently activated or in use. In fact, it is often referred to as working memory. In order for something to enter into long term memory which is more permanent we should rehearse it several times. Marketers are particularly interested in long-term semantic memory, which is the basic knowledge, feelings an individual has about a concept. It represents the person's understanding of an object or event at its simplest level.

Brand Image: Brand image refers to the schematic memory of a brand. It contains the target market's interpretation of the service's attributes, benefits, usage situations, users and manufacturer/ marketer characteristics. It is, in essence what consumer has learned about the brand. Company image and store image are similar except they apply to companies and stores rather than brands. Service positioning is a decision by a marketer to try to achieve a defined brand image relative to competition within a market segment.

Brand Loyalty: Service positioning plays an important role in projecting image of the brand in the mind of consumer in a market segment. The trust and faith of consumer after trying a brand over time develop loyalty. That is, when a loyal consumer sticks to a brand and recommends it to others.

Motivation: Motivation is a reported urge to buy a specific product/ service. A need become a motive when it is aroused to a sufficient level of intensity. A motive is a need that is sufficiently pressing to derive the person to act. Motivation is the reason for behaviour. A motive is constructing or representing an unobservable inner force that stimulates to and compel behavioural responses and provides specific direction to that responses. A motive is why an individual does something. Motivation is another important determinant of buyer behaviour.

Attitudes: An attitude is a person's enduring favourable or unfavourable evaluation, emotional feelings and action tendencies toward some object or idea. Consumer

attitudes are a composite of a consumer's beliefs, feelings about and behavioral intentions toward some object within the context of marketing. There are four functions of attitude as discussed below:

Knowledge function: Some attitudes serve primarily as a means of organising beliefs about objects or activities such as brand and shopping. These attitudes may be accurate or inaccurate with respect to objective realities, but the attitude will often determine subsequent behaviours rather than that reality. **Value-expressive function:** Other attitudes are formed and serve to express an individual's central values and self-concept. Thus, consumers who value nature and the environment are likely to develop attitudes about services and activities that are consistent with that value. **Utilitarian function:** This function is based on operant conditioning, people tend to form favourable attitudes toward objects and activities that are rewarding and negative attitudes toward those that are not. Marketers frequently promise rewards in advertising and conduct extensive service testing to be sure that services are indeed rewarding. **Ego-defensive function:** People form and use attitudes to defend their egos and self-image against threats and shortcomings. Services promoted as very macho may be viewed favourable by men who are insecure in their masculinity.

Attitude Components: There are three important components of attitude cognitive (beliefs), affective (feelings) and behavioural (response tendencies).

- (a) **Cognitive Component or Beliefs:** The cognitive component consists of consumer's beliefs about an object. Belief is a descriptive thought that a person holds about something. A consumer may hold both positive beliefs toward an object as well as negative beliefs.
- (b) **Affective Component:** Feeling or emotional reactions to an object represent affective component of an attitude. An attitude is an enduring organisation of motivational, emotional and cognitive process with respect to some aspect of our environment. Consumers also hold certain feelings toward brands or other objects. Sometimes these feelings are based on the beliefs, but there may also be feelings which are relatively independent of beliefs.

- (c) **Behavioral Component:** The behavioural component of an attitude is one's tendency to respond in a certain manner toward an object or activity. Behavioural intention is a series of decision to purchase or not to purchase a service. The behavioral intention is what the consumer plans to do with respect to the object. This is sometimes a logical consequence of beliefs (or affect), but may sometimes reflect other circumstances.

Consumer Judgement: People are likely to form many different judgments while viewing commercial and evaluating products and services. A judgment refers to the location of a target object or issues on a cognitive continuum. Some cognitive continuum are non evaluative, such as the concepts "safe," "gentle," or "effective." Non evaluative judgments are referred to as belief.

Some cognitive continuum are evaluative such as good, bad, favourable or unfavourable. Like non evaluative dimensions are continuous in nature. This means the consumer have very unfavourable, unfavourable, somewhat unfavourable, neutral, somewhat favourable, favourable or very favourable attitude. Attitudes are important because they often exert a strong influence on purchase decisions. If one have a very positive attitude toward a particular service, the person is more likely to buy the service.

- (a) **Evaluative Judgment:** An attitude is evaluative judgment and has two main components: direction and extremity. An evaluation is always made with respect to some target object or issue. The object can be general of specific. The object can also be physical object or an abstract issue.
- (b) **Preference Judgment:** Preferences are evaluative judgments concerning two or more objects. Sometimes attitudes serve as building blocks for preference. Sometimes preferences are based on comparisons of attributes or features of two or more services. Preferences formed on the basis of consumer's overall attitudes toward two or more services.
- (c) **Satisfaction Judgment:** Satisfaction involves comparing a chosen service with a rejected service. The chosen service is the service the consumer actually purchased. The rejected service is a service that was considered for purchase but was not chosen.

(d) **Prediction and Intention Judgment:** Prediction about future events influences many other types of judgments including expectations, attributions and intentions. Good consumer decision making requires accurate probability or likelihood judgments about a wide variety of attributes such as service performance, accurate predictions about when a service requires replacement, after sale services and accurate predictions about one's own future behaviour.

Judgment and Behaviour: Until 1969, most marketing researches assumed that judgment influences purchase behaviour. It seemed obvious that if consumers have a favourable attitude toward a service, they will buy it. If consumers have an unfavourable attitude toward a service, they will not buy it.

Socio-cultural /Socio-economic: Socio-economic or demographic variables are the most important basis for distinguishing buyer groups. Consumer wants, preferences and usage rates are generally associated with these variables. The marketers should have a deeper understanding of the market in terms of these socio-economic variables such as brand reputation, brand loyalty, perception of quality revealing ability of factors like brand reputation, price, features, promotion etc.¹¹

Family Size and Family Life Cycle: The number of individuals in family, number of male and female in the family, number of earning members and family life cycle also influence family purchases or decision making. There are four basic functions provided by the family are particularly relevant to consumer behaviour researches. These include economic well being, emotional support, suitable family life style and socialization to family members.

Social Class: Social class (or relative status in the community) is an important determinant of buyer behaviour. It is traditionally measured by a weighted index of several demographic variables such as education, occupation and income. The concept of social class implies a hierarchy in which individuals in the same class generally have the same degree of status, while member of other classes have either of higher or lower status. Consumer in different social classes vary in terms of values, service preferences and buying habits.

Culture: Cultural factors exert the broadest and deepest influence on consumer behaviour. Culture is part of the external influences that impact the consumer. Culture represents influences that are imposed on the consumers by other individuals. Culture is the complex whole that includes knowledge, belief, art, law, morals, customs and any other capabilities and habits acquired by humans. Culture is the distinctive way of life of a group of people, their complete design for living. Culture is the most fundamental determinants of a person's wants and behaviour. Culture is a comprehensive concept. It includes almost everything that influences an individual's thought process and behaviours. Culture is acquired and does not include inherited responses and predispositions. Culture also supplies the boundaries within which most individuals think and act. The boundaries that culture sets on behaviour are called norms, which are simply rules that specify or prohibit certain behaviours in specific situations. Violation of cultural norms results in sanctions, or penalties ranging from mild social disapproval to banishment from the group. The marketer needs to understand the importance of culture, subculture, social class, basic values, beliefs, norms and associated behaviors that are learned by a member of society. Dividing the factors that influences consumers into categories is somewhat arbitrary. Culture has several important characteristics: (1) Culture is comprehensive. (2) Culture is learned rather than being something we are born with. (3) Culture is manifested within boundaries of acceptable behavior. (4) Conscious awareness of cultural standards is limited. (5) Cultures fall somewhere on a continuum between static and dynamic depending on how quickly people adapt change.

Cross culture: When a culture interacts with another culture they share values, perceptions and preferences. Buyer acquires and learns characteristics of different cultures.

Sub culture: Each culture contains smaller subcultures or groups of people with shared value systems based on common life experiences and situation. Subcultures include: Nationalities, religions, racial groups and geographical regions. A subculture is a segment of a larger culture whose members share distinguish values and patterns of behaviour.

Religious subcultures: Religion is important determinant of behaviour and directly influences the buying decisions. This includes consuming religiously themed services.

Ethnic subcultures: Ethnic subculture broadly defined as those whose member's unique shared behaviours are based on a common racial, language or nationality background.

Regional subcultures: Distinct regional subculture arises as a result of climatic conditions, the natural environment and resources. The characteristics of various immigrant groups also influence consumer decisions of followers of their regional subgroups.

Values: cultural values are widely held beliefs that affirm what is desirable. It is necessary to understand the underlying value shifts in order to understand current and future consumer behaviour. India has traditionally been a very participative, socially involved and norm driven society. Indian culture is of assimilation of religions, traditions, practices, norms and values.

Households: There are various types of households. Household is defined as all the people who occupy a housing unit. It defined as a family of two or more related by birth, marriage or adoption and residing together.

Family: A family household is defined as a household consisting of a family and any unrelated people residing in the same housing unit. A nonfamily household is a household living alone or exclusively with others to whom he or she does not related. Family is a group of people related by blood, marriage, or other socially approved relationship. The traditional family refers to a married couple and their own or adopted children living at home. Family: Family is the most important buying organisation in society and it has been researched extensively.

The household life cycle (HLC): The HLC is based on the age, marital status of adult members in the households along with presence and age of their children. The buyer use to change their preferences for services over a period of time. Marketers often define their target markets in terms of life-cycle stage and develop appropriate services and marketing plans for each stage such as; Single I: Unmarried single, Young couples (No Children), Full nest I (Married couples), Single parent I, Middle-

aged single, Empty nest I (Middle aged married with no children), Delayed full nest I (Old married with young children), Full nest II (Middle –aged married with children at home), Single parent II (Middle –aged single with children at home), Empty nest II (Older married couples) and Older single.

Consumer socialisation: The family provides a basic network in which consumer socialisation occurs, Consumer socialisation is the process by which young people acquire skills, knowledge an attitude relevant to their functioning as consumers in a marketplace. Consumer’s behaviour is determined by social factors, such as small group, family and status.

2.17.2 Group Influences on Consumer Behaviour

A group is defined as two or more individuals who share a set of norms, values, beliefs. The group member should have certain implicitly or explicitly defined relationships to one another so that their behaviours are interdependent. A group is association of two or more people who interact to accomplish individual or mutual goals. Groups may be classified according to a number of variables. Marketers have found three classification criteria for groups: (1) membership, (2) type of contact and (3) attraction. The membership criteria are dichotomous. Either one is the member of a particular group or one is not a member of that group. Type of contact refers to how much interpersonal contact the group members have with each other. Attraction refers to the desirability that membership in a given groups has for the individual. This can range from negative to positive. Groups with negative desirability –dissociative reference group can influence behaviour just as do those with positive desirability. Membership groups also have a direct influence on consumer decision process.

Reference groups serve as direct or indirect points of comparison. A person’s reference group consists of all the groups have a direct (face-to-face) or indirect influence on the person’s attitude or behaviour. The aspirational reference group refers to those others against whom one would like to compare oneself. Humans are inherently social animals and individuals greatly influence each other. Associative reference groups include people who more realistically represent the individuals’

coworkers and neighbors. Finally, the dissociative reference group includes people that the individual would not like.

Social Class is a group of individuals with similar social rank, based on such factors as **occupation, education** and **wealth**. Social classes are relatively permanent and ordered divisions whose members share similar values, interests and behaviours. Social class is not determined by a single factor but is measured as a combination of occupation, income, education, wealth and various other factors. Markets are interested in social class because people within a given social class tend to exhibit similar buying behaviour. Social classes show distinct services and brand preferences in areas, such as: clothing, home furnishing, leisure activity and motor vehicles.

Roles and Status: A role consists of the activities people are expected to perform according to persons around them. Each role carries a status reflecting the general esteem given by society.

Consumption Subculture: A consumption based group often termed as consumption subculture is a distinctive subgroup of society. On the basis of shared commitment to a particular service class, brand or consumption activity. These groups have (1) an identifiable, hierarchical social structure, (2) a set of shared beliefs or values and (3) unique jargon, rituals and mode of symbolic expressions. Thus, they are reference groups for their members as well as those who aspire to join or avoid them. A number of such subcultures have been studied in some details, including those focused on style/attitude, organisation, service, television programme and activities.

Brand Communities: Consumption subculture focus on the interactions of individuals around an activity, service category or occasionally a brand. A brand community is a non-geographically bound community, based on a structured set of social relationships among owners of a brand and the psychological relationship with a specific brand.

Opinion Leader: Opinion leader is a person within a reference group who exerts influence on his followers because of special skills, knowledge, personality etc. The exchange of advice and information between group members and leader can occur

when they seek information from each other. In choosing products and services consumer are often influenced by advice received from experts.

2.17.3 Factors Influencing Indian Consumer in a Turbulent Marketing Environment

India being a large country consists of several states, different religions and different languages. It is difficult to generalize the tastes and preferences of the Indian masses as there can be various segments of consumers based on economic and social characteristics such as income levels, regions, caste and culture that they belong to. There are various social classes emerging due to turbulent marketing environment. Even though the per capita income in India is low, it still remains an enticing market. India is a unique market in the sense there are so many factors affecting the buying decisions like tradition, family values, value for money, orientation towards love and affection. There are many issues influencing Indian consumers such as socio-cultural, cultural, economical and psychological. India can be divided into various emerging social classes such as:

High Net worth People: These are the people who are at the top of the income chart. They frequently visit trendy malls, chic restaurants, upscale multiplexes and very expensive clubs. They go for ultra expensive brands and do not think twice about spending millions on them.

The Great Indian Middle Class: This is a cliché but the companies can ignore this group at the cost of their own performance. These people reflect the taste and preferences of the majority. They seek a lot of information before purchasing any high value item. They want full value for their money and are quite careful while making purchases. Savings are top priority and they are always willing to struggle financially today, for a better and more satisfying future.

The Alpha Female: This is a new category which has recently joined the Indian buying brigade. Earlier, there were not many working women but today their presence is inescapable. These working women have added punch to the purchasing power to the household they belong to be in their paternal house as spinsters or their in-laws house after marriage. So, the overall effect has been good for the companies selling

their wares. These women have become more independent and are in the position to take independent decisions regarding purchases.

Rural India: There is a huge market out there in the hinterland. Companies have started targeting them but a major part still untapped. The rural people are not only aware but also are willing to spend money for procuring them. This is especially true of the rich farmers of Punjab, Western UP and to some extent, Haryana. The buying pattern varies across different classes as also across regions and the level of exposure that people have. With the advent in information technology, e-choupals and choupal-sagar rural people can assess information related to financial services at their native place¹².

Indian Urban Market: This niche is strongly supported by the lifestyle and aspirations of west. The following values can be associated with niche:

Material success: Young professional between 25 to 30 years, extremely conscious of their material success, have changed in the last decade. Higher education, intelligence and aspirations of these consumers have resulted in their acquiring substantial wealth at a relatively young age in the life-cycle stages. This wealth is spent on essential services which have contributed to the service economy-health, amusement, time-compression and convenience.

Impulse Gratification: While a number of consumer may be using credit cards only for convenience, the neo-urban young adults exhibit a compulsive need to buy products and services through credit cards. This niche may possess multiple credit cards. The insurers are joining hands with credit card companies to sell their offerings.

Success through Professional Achievements: These aspects contribute to the intrinsic and extrinsic motivational levels and are reflected in the consumption of services and brands, possessing an insurance, property, vehicle or latest mobile.

Involvement at Work: As a logical extension to the previous value, contemporary consumers break away from traditional work practices and are involved in high tension, fast paced jobs, distant assignments etc. they experience time pressure and hence prefer time compression or convenience services. There is a growing need of financial and insurance services that may offer high level of satisfaction.

Changing Workplace Requirements and Policies: Some employers are offering group and individual insurance policies for the secure future of employees. Whereas other offer these policies as they have some contract with insurance agencies for health and life insurance of employees.

Technological Advancements and e-consumer: Many new components of the business environment also influence consumer decisions such as e-insurance, bank insurance, employer group insurance and perception of policyholders, spending habits, credit card/ plastic money usage, mobile payment. These new dimensions of Indian business are using various fast and speedy modes to approach a rational consumer.

2.17.4 External Influences/Situational Influences on Consumer Behavior

We define situational influence as all those factors particular to a time and place that do not follow from knowledge of personal stimulus (choice alternatives) and attributes that have an effect on current behaviour. Consumer do not respond to stimuli such as advertisements and services presented by marketers in isolation; instead they respond to marketing influences and the situation simultaneously. To understand a consumer's behaviour, we must know about the consumer, about the object such as a service that the consumer is responding to and about the situation in which the response is occurring. The consumption process occurs within four broad categories or types of situations; the communication situation, the purchase situation, the usage situation and the disposition situation. **Situational Variables:** Situational variables are external environmental variables that provide the context in which behaviours are performed. Personal variables and situational variables often jointly influence buyer behaviour. Specific circumstances often influence consumer behaviour. Consumer whose attention is demanded elsewhere are likely to disregard commercial message. Consumers shopping for a special occasion may buy different services. Urgency circumstances, time, location, temperature and humidity can also insist consumer to buy different services.

The Communication Situation: The situation in which consumers receive information has an impact on their behaviour. Whether one is alone or in a group, in a good mood or bad, in hurry or not influences the degree to which he sees and listens to marketing communication. A marketer is able to deliver an effective message to consumers who are interested in the service and are in a receptive communication situation. However, finding high interest potential buyers in receptive communications situations is a difficult challenge.

The Purchase Situation: Situations can also affect service selection in a purchase situation. A shortage of time, such as trying to make a purchase between all classes, can affect the store choice decision. Marketers must understand how purchase situations influence consumers in order to develop marketing strategies that enhance the purchase of their services.

The Usage Situation: Marketers need to understand the usage situations for which their services are actually appropriate. Using this knowledge, marketers can communicate how their services create consumer satisfaction in each relevant usage situation.

Situational Characteristics and Consumption Behaviour: A number of features or characteristics of situation influence behaviours across the various types of situations described below. We will describe five key characteristics of situations that help to determine the situation's impact on behaviour, physical features, social surroundings, temporal perspectives, task objectives (definition) and antecedent states.

- 1. Physical Features:** Physical surroundings include decor, sounds, aroma, lighting, weather and configurations of merchandise or other material surrounding the stimulus object. Physical surroundings are widely used type of situational influence, particularly for retail applications.
- 2. Social Surroundings:** Social surroundings are the other individuals present during the consumption process. People's actions are frequently influenced by those around them. Most people would change their apparel for at least some of these situations. Social influence is a significant force for acting on our

behaviour, since individuals tend to comply with group expectations, particularly when the behaviour is visible.

3. **Temporal Perspective:** Temporal perspectives are situational characteristics that deal with the effect of time on consumer behaviour. Time as a situational factor can manifest itself in a number of ways. The amount of time available for the purchase has a substantial impact on the consumer decision process and information search.
4. **Task Definition:** Task definition is the reason the consumption activity is occurring. The major task dichotomy used by marketers between purchases for self-use versus gift giving.
5. **Antecedent Status:** Feature of the individual person that are not lasting characteristics such as momentary moods or conditions are called antecedent states. Moods are transient feeling states that are generally not tied to a specific event or object. They tend to be less intense than emotions and may operate without the individual's awareness. Although moods may affect all aspects of a person's behaviour, they generally do not completely interrupt ongoing behaviour like emotions.

2.18 INDIVIDUAL DECISION MAKING

A decision is the selection of an action from two or more alternatives. The buyer preferences rapidly change and are affected by multiplicity of factors at a given point of time which are difficult to analyse. Therefore it is necessary to continuously study, analyse and understand it and monitor this understanding to the marketing management so that effective decisions can be taken in respect of service's price, distribution and promotion.

A typical buying process consists of five steps namely; problem recognition, information search, search of best alternative and making choice, final buying and post purchase behaviour.

2.19 FAMILY DECISION MAKING

Many marketers recognise the family as the basic decision making unit, they most frequently examine the attitudes and behaviour of the one family member whom they believe to be the major decision maker. The family has a major influence in the consumer behaviour process. As the basic group to which individual belongs, the family provides early childhood learning about services and service categories, provides the opportunity for service exposure and repetition and sets the consumption norms for family members. As a major consumption unit the family has a prime target for most products and service categories.

Family Roles: For a family to function as cohesive unit, roles or task such as doing the laundry, preparing meals and taking out the garbage must be carried out by one or more family members. In a dynamic society, family-related roles are constantly changing. There are eight distinct roles in the family decision making process which are based on consumption such as influencers, gatekeepers, deciders, buyers, prepares, maintainers and disposers.

The number and identity of the family members who fill these roles vary from family to family and from product to service. In some cases, a single family member will independently assume a number of roles whereas in other case, a single role will be performed jointly by two or more family members.

Influencing Spouse and Resolving Consumer Conflicts: When it comes to making purchase decisions, husbands and wives frequently find themselves in disagreement about when to spend or save, how much to spend on some item, what colours fits best or where to buy something. There are many purchase decisions where there might be disagreement. To avoid or resolve potential disagreements, husbands and wives commonly attempt to influence each other to arrive at a best outcome. **Expert:** An attempt by a spouse to use his or her superior information about decision alternatives to influence the other spouse.

Legitimacy: An attempt by a spouse to influence the other spouse on the basis of position in the household.

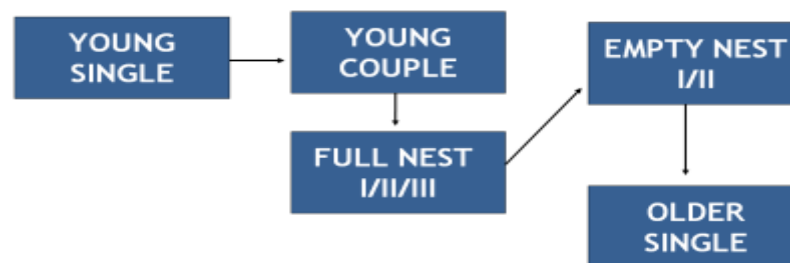
Bargaining: An attempt by a spouse to secure influence now that will be exchanged with the other spouse at some future date.

Reward: An attempt by a spouse to influence the behaviour of the other spouse by offering a reward.

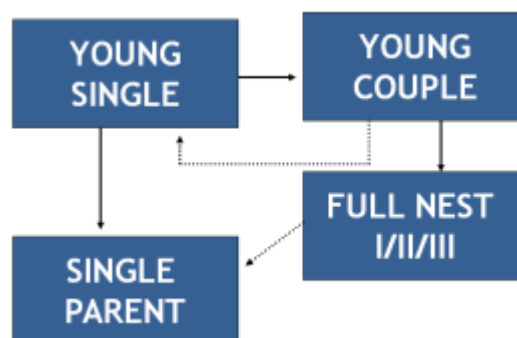
Emotional: An attempt by a spouse to use an emotion-laden reaction to influence the other spouse's behaviour.

Impression: Any persuasive attempts by one spouse to influence the behaviour of others.

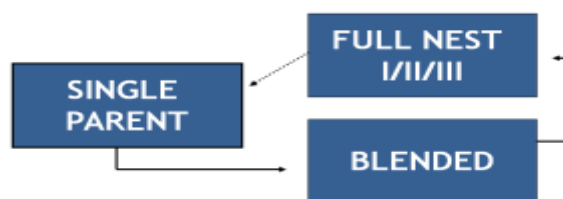
The Family Life Cycle: Individuals and families tend to go through a "life cycle." The simple life cycle goes from young single to older single.



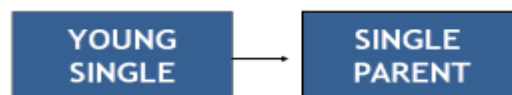
For purposes of this discussion, a "couple" may either be married or merely involve living together. The breakup of a non-marital relationship involving cohabitation is similarly considered equivalent to a divorce. In real life, this situation is, of course, a bit more complicated. For example, many couples undergo divorce. Then we have one of the scenarios:



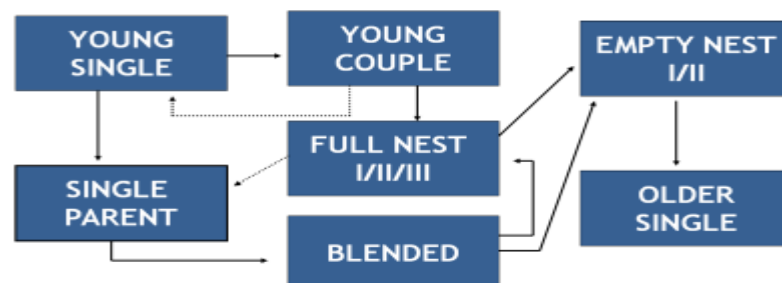
Single parenthood can result either from divorce or from the death of one parent. Divorce usually entails a significant change in the relative wealth of spouses. In some cases, the non-custodial parent (usually the father) will not pay the required child support and even if he or she does, that still may not leave the custodial parent and children as well off as they were during the marriage. On the other hand, in some cases, some non-custodial parents will be called on to pay a large part of their income in child support. This is particularly a problem when the non-custodial parent remarries and has additional children in the second (or subsequent marriages).



Another variation involves



Here, the single parent who assumes responsibility for one or more children may not form a relationship with the other parent of the child. Integrating all the possibilities discussed, we get the following depiction of the Family Life Cycle:



Generally, there are two main themes in the Family Life Cycle, subject to significant exceptions, as a person gets older, he or she tends to advance in his or her career and tends to get greater income (exceptions: maternity leave, divorce, retirement). Unfortunately, obligations also tend to increase with time (at least until one's mortgage has been paid off). Children and paying for one's house are two of the

greatest expenses. Individual members of families often serve different roles in decisions that ultimately draw on shared family resources. However, the role of the decision maker is separate from that of the purchaser.

Dynamics of Husband-wife Decision Making: Marketers are interested in the relative amount of influence that a husband and wife have when it comes to family consumption choice. Most husband-wife influence studies classify family consumption decisions as husband-dominated, wife-dominated, joint and autonomic (solitary or unilateral).

2.20 POST-PURCHASE CONSUMER BEHAVIOR

Customer satisfaction/dissatisfaction

After the sale, the buyer will likely feel either satisfied or dissatisfied. If the buyer believes that he received more in the exchange than what was paid, he might feel satisfied. If he believes that he received less in the exchange than what was paid, then he might feel dissatisfied. Dissatisfied buyers are not likely to return as buyers and are not likely to send friends, relatives and acquaintances. They are also more likely to be unhappy or even abusive when the product requires post-sale servicing, as when an automobile needs warranty maintenance.

An issue related to this is **attribution theory**. According to attribution theory, people tend to assign cause to the behavior of others. Buyer estimate which offer will deliver the most value. Customer satisfaction is a personal feeling of pleasure or disappointment resulting from comparing a service's perceived performance (or outcome) in relation to his or her expectations. As the definition makes clear customer satisfaction is a function of perceived performance and expectations. If the performance falls short of expectations the customer is dissatisfied. If the performance matches the expectations the buyer is satisfied. If the performance exceeds expectations the buyer is highly satisfied or delighted. High satisfaction or delight creates an emotional affinity with the brands the result is high customer loyalty. The past buying experiences, friends, associates advice, marketers/competitor's information and promises are influencing their buyer's expectations.

Ingredients of Customer Satisfaction: Needs and wants: A need is basis biological motive; a want represents one way that society has taught us that a need can be satisfied. Needs and wants are center of marketing activities and consumer behaviour studies.

Value: Customer value is defined as the ratio between the customer's perceived benefits (economic, functional and psychological) and the resources (monetary, time, effort, psychological) used to obtain those benefits. Perceived value is relative and subjective.

Customer Loyalty: Customer loyalty is a customer's commitment or attachment to a brand, store, manufacturer and service provider. It is not the same as customer satisfaction although highly satisfied customers may become loyal customers in long run.

Customer Retention: Highly satisfied customer will stay with the company rather than switch to some other firm.

Customer Delight: The organisation wants to please customers to the point that they want the organisation to sell them something else.

Customer pampering and complementary services: Providing extra care, cross selling (providing complementary services to existing customers), bundling (selling a combination of services at a lower price to existing customers), up-selling (marketing of higher value services to existing customers).

Customer Satisfaction Measurement: Customer satisfaction measurement includes quantitative and qualitative measures as well as a variety of contact methods with customers.

Customer Relationship Management is another step in the development of the traditional concept of marketing- a philosophy or a way of envisioning organisation as an integrated system where all aspects work to satisfy customer's needs at a profit within society's long term best interest. The basis for effective customer relationship management system and strategies is to build profitable relationships in the long term that are mutually beneficial and that fulfill promises as customer experience the

product or service offering. Measuring customer satisfaction over time allows a company to determine whether customers believe the organisation is continuously improving, losing ground to a competitor or stagnating. Zikmund William G., JR. McLeod, Gilbert Faye W., (2005)

REFERENCES

- 1 Walters C. Glenn, & Bergiel Vlaisie, J., (1989). *Consumer Behaviour a Decision Making Approach, South Western Pub.Co.*
- 2 Schiffman Lenon G., & Kanuk Leslie Lazar (2006). *Consumer Behaviour*. Prentice Hall of India.
- 3 Loudon, David L. & Bitta Albert J. Della., (2004). *Consumer Behaviour*. Second ed. Mc-Grawhill.
- 4 Kotler, Philip. (2002). *Marketing Management*. Prentice Hall of India.
- 5 Hanson & Lott. (1995). Externalities and Corporate Objectives in the World with Diversified Shareholders and Consumers. 5-6.
- 6 Neeraj Gautam, Kokil Jain, (2008). *Consumer Behaviour*, Gyan Books Pvt Ltd.
- 7 Loudon, David L. & Bitta Albert J. Della., (2008). *Consumer Behaviour*, Fourth ed. Mc-Grawhill. 8-9.
- 8 Kotler, P. & Gary Armstrong, (2005). *Principles of Marketing*, Prentice Hall of India.
- 9 Schiffman Lenon G., & Kanuk Leslie Lazar (1998). *Consumer Behaviour*. Prentice Hall of India.
- 10 Del I Hawkins, Roger J Best, Kenneth. A. Coney. & Mukherjee, A. (2007). *Consumer Behaviour*, Tata McGrawhill.
- 11 Soma Sen Gupta, (2005). *Consumer Behaviour*, New Century Publications, Page 87-120
- 12 G Radha Krishna, (2006). *Consumer Behaviour*, The ICFAI University Press, 2006, Page 50-51.