



A STUDY OF VARIOUS FACTORS THAT INFLUENCES CONSUMER PURCHASE DECISIONS IN NAGPUR MARKET

DR. KAUSTAV SHYAMAL MUKHERJEE

Assistant Professor,
Department Of Commerce and Management,
Prerna College of Commerce, Nagpur
(MS) INDIA

ABSTRACT

All the existing brands/product in a market makes a total set. Through information search consumer will become aware of some brands in the total set. Awareness set consists of brands, which the consumer is aware of the brands, which meet initial buying criteria, will be considered for further evaluation. They make up the consideration set. Though application of final criteria, the consumer evolves his choice set. All the brands in this set are acceptable to the consumer. However, the final choice will be made after filtering various criteria.. The choice is dependent upon factors influencing the mind of consumer at this final stage. For example, a person is interested in buying cement for construction of his house. The marketer should be aware of the place his brand has in the mind of the prospect through the buying process. Various factors, which influence the final choice, are Attitude of others, unanticipated situational factors, perceived risk and so on.

Key Words: Buying Process, Decision Criteria, Brand.

INTRODUCTION:

Consumer is the basic foundation of every business. What consumer sees, thinks, prefers and buys is of great importance to marketing offers and achieves high level of consumer acceptance and satisfaction. The emergence of rural market as a viable proposition has sparked a new interest among marketers for explore and understand them. Though some

DR. KAUSTAV SHYAMAL MUKHERJEE

1P a g e

Indian giants like HLL, Godrej, Asian Paints and Philips are in the fray, the profiles of rural consumers are still hazy; gaining an understanding of the rural market composition and behavior is considered one of the current challenges. In the chapter we will explore various aspects of rural marketing with marketing concepts as a yardstick.

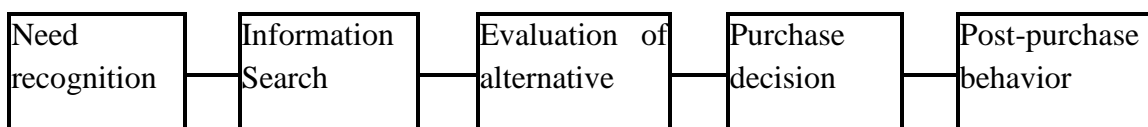
Consumer Behavior:

In simple form consumer behavior can be described as a process, a behavior pattern that a consumer applies while purchasing, acquiring, evaluating or choosing a product/service.

The problem that the companies face while studying consumer behavior is that hardly they find any similarity in behavior pattern of any 02 customers, the lifestyle, customs, traditions, way of thinking, influential pattern is so different from consumer to consumers that the insight the companies gain from one consumer, can hardly be utilized in second consumer.

Buying Decision Process:

The buying decision process follows a logical sequence of five steps as shown in figure.



Buying Decision Process

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

a) **Personality and self-concept:** Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment.

To relate personality to products people purchase, there are two aspects to be considered: situation and person. When in a social gathering, youth prefer to buy cigarettes, pan masala, tea, coffee or cold drinks, etc. While traveling people prefer to buy mineral water bottles or sachets, food packets, etc. Given the situation, the response patterns vary from individual to individual. A conservative person may offer tea, whereas a jovial, hedonistic type may buy Pepsi cola for his friends. A person low on sociability will prefer drinking tea standing alone at a corner tea stall.

Modern marketers are increasingly concerned about matching products to the perceived self-personality of the individual. For example, take two wheelers. One finds a Suitable matching process as shown in the following table.

Table: 1
Personality of Brand and Consumer

Brand Name	Brand Personality	Consumer Personality
Yamaha	Rugged, dominating, youth-full indulgent and vain	Dominating, youthful, highly indulgent and sociable. They are opinion leaders.
TVS Suzuki	Rational, colorful, youthful, rugged and relaxed	Takes it easy, colorful but not flashy, mature, complex people
Hero Honda	Thrifty, dominating, contemporary and less rugged.	Rational complex liberal and balanced individual

Source: Subroto Sen Gupta, Positioning, Tata McGraw Hill Pub. Co. Ltd. New Delhi, 2018 page.121

b) Psychological factors: The three psychological factors, which help describe what goes on in the minds of consumers, have influence on his decision making. They are:

- Perception.
- Cognition and
- Motivation

(i) Perception: Perception is the process by which people select, organize and interpret information in form meaningful picture of the object. Three perceptual processes, for example, selective attention, selective distortion and selective retention of audience make effective communication a challenge to marketers.

- | | |
|----------------------|--|
| Selective attention | – People pay attention to things that they consider of value |
| Selective distortion | – People interpret information to support what they already believe. |
| Selective retention | – People remember what, in their view, is supportive to their beliefs and attitudes. |

Are there differences in the perceptions of rural and urban people? How do they view the models in the advertisement? Do they consider them alien or native? It is reported that Govinda—the Hindu cine actor leads the pack across

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

Retails and Attitudes: A belief is a descriptive thought that a person holds about anything. Beliefs may be based on knowledge, opinion and faith of emotion. A rural buyer of a watch holds the belief. “Heavy watches are good in quality, durability and reliability”.

Attitude describes a person’s relatively consistent evaluations, feelings and tendencies towards on object or idea. It has thus, three components.

Cognitive information evaluation and inference Conative emotional feelings
Affective disposition to do or not to do.

- Functionality is more important than style and frills.
- The difference between local brands and corporate brands is not worthy of consideration.

Any product of OK.

The first attitude requires marketers to design economy products. The second one makes fighting copycats difficult. Marketers have to educate the rural consumers on the potential dangers of using fake products and guide them in identify the right products.

(ii) Motivation: Motivation is a process of creating motives. A motive is defined as an inner urge that moves of prompts an action. Motivation for purchase a product becomes positive when the product corresponds to a need or a motive, which is to be satisfied. The motivation becomes stronger when such satisfaction is very important in the consumer.

Table 2

Primary and secondary motivations

Primary	Secondary
---------	-----------

Fixed and drink	Bargains
Comfort	Information
To attract the opposite sex	cleanliness
Welfare of loved ones	Efficiency
Freedom from fear and danger	Convenience
To be superior	Style, beauty
Social approval	Economy, profit
To live longer	Curiosity
Source: Melvin S. Hatwick,. How to Use Psychology for Better Advertising Prentice Hall Inc., Englewood. pp.15-26	

- i. Products and services which are basic for living functions; agricultural implements, pumps, tubes wells, bullock cart, fertilizers, seeds, pesticides, house marriage.
- ii. Products, which improve productivity and minimize disturbances; tractors, harvesters, cycles, two wheelers, insurance, banking.
 1. Entertainment equipments transistors, 2in-1, televisions.
 2. Kitchen appliances gas ovens, pressure cookers, mixers, grinders.
- iii. Products and services that give leisure and make leisure a pleasure.
- iv. Products and services which enhance the standard of life and boost, self-esteem Convenience durables refrigerators, coolers, washing machines, jeeps.
- v. Products and services which help realize life's dreams: Krishi Pandit Award.

- 2) Information Search: Generally, consumers try to find information pertaining to their want satisfying products to make the right choices. The amount of information required depends upon:
 - Type of the product — convenience, shopping or especially good.
 - Nature of the product—complex, high tech or simple and easy to distinguish.

- Availability of sources—the consumer may obtain information from one or more of the following sources.
- Personal —family, friends, neighbors.
- Commercial —advertising, sales people, displays.
- Public —TV, radio, internet and print media.
- Experiential —handling, examining, using the product.

Search expands with the availability of time. Marketers have to take into cognizance this aspect and design offers to induce immediate buying. Keeping in mind the information, needs of consumers, marketers should design communication programs to reach the consumers and provide adequate and relevant information. In view of the low literacy level, consumers and provide adequate and relevant information. In view of the low literacy level, contributor to bring consumer awareness in Nagpur. It is, of course, the traditional marketing methods-demonstrations, displays at fairs and festivals, mobile video vans—which continue to be the marketing man's support system in rural communication strategy.

3) Evaluation of alternatives: How do consumers evaluate the brands, which they have come to know and like to consider? The evaluation process may be done more

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

- Expectancy value model.
- Lexicographic model
- Conjunctive model
- Disjunctive model.

4) Purchase Decision: All the existing brands in the market make a total set. Through information search consumer will become aware of some brands in the total set. Awareness set consists of brands, which the consumer is aware of the brands, which meet initial, buying criteria, will be considered for further evaluation. They make up the consideration set. Though application of final criteria, the consumer evolves his choice set. All the brands in this set are acceptable to the consumer. However, the final choice

DR. KAUSTAV SHYAMAL MUKHERJEE

6P a g e

will be made in four of one brand. The choice is dependent upon factors influencing the mind of consumer at this final stage. For example, a person is interested in buying cement for construction of his house. The marketer should be aware of the place his brand has in the mind of the prospect through the buying process.

The factors, which influence the final choice, are

- Attitude of others
- Unanticipated situational factors
- Perceived risk

Others, Attitudes may change the intentions of decision maker when

- Other person's views are important to the decision maker and he likes to comply with his advice, and
- Other person has a strong negative attitude towards a chosen brand.

Unanticipated situational factors can be anything like a vendor closing down the shutters of his factory, or introduction of a new brand by a competitor, which is more suitable to the requirements of the buyer.

Perceived risk is high when

- Consumer lacks self – confidence.
- Information gathered is inadequate or less accurate.
- The purchase price is high for example, the amount of money invested is high.
- The product has uncertain attributes.
- There are many brands with significant differences.
- The product is infrequently purchased.
- It cannot be disposed off without any difficulty and financial loss.

It may be reduced by the consumer by employing one or more of the following tactics.

- Developing purchase routines.
- Decision making by groups.
- Consulting experts or elderly people
- More information gathering
- Preferring reputed brands or brands with warranties or guarantees.

Finally, purchase decision comprises answers to the following questions.

- Which brand?
- Which dealer?
- How much quantity?
- Buy when?
- Which payment mode?

5) Post-Purchase Behavior: Marketers should know the answers to the following:

- What are the feelings of the buyer after buying and using the product?
- What are his reactions when satisfied? When dissatisfied?
- How does he dispose of the product after use?

Post-purchase feelings: A buyer feels satisfied when the perceived product performance is close to his/her expectations. If it exceeds expectation, the customer is delighted. If it falls short of expectations, the customer is disappointed. He develops cognitive dissonance.

Reactions: There are two options in the customer. One is voice option and the other is buy option. When messages are transmitted orally by a person to other persons about a product, it is called word-of-mouth advertising (WOMA). This is favorable to the product when the customer is satisfied. The customer spreads good news about the product in the neighborhood and among his brand loyal. On the other hand, a dissatisfied

customer will create an unfavorable WOMA and exercises exit option. He stops buying it further.

Disposal: Consumers dispose off the product for several reasons. In case of consumables, disposal may occur as follows:

1. Without using fully, when they do not like it. They may throw it away or give it away to a neighbour or friend who likes to use it.
2. Using it fully, dispose the container. It possible, they may use it to refill with same or different product. When it cannot be reused, they throw it away. This may cause environmental pollution problems. E.g. sanitary napkins, poly bags, disposables glasses and plates, etc.
3. In case of durables, disposal may take place when replacement decision is taken. Replacement decision arises when the product has functional value but consumer prefers to substitute it with a new one of the same brand or a different brand or entirely a new product. For example, a TVS moped owner may buy a new vehicle of the same brand or change the brand to buy Kinetic Luna or go for the purchase of a new product—Bajaj scooter. The consumer is concerned about resale opportunities and resale price of durables. .

Buying Behavior Patterns:

Two types of classification can be made based on:

- (a) Degree of involvement
- (b) Time spent
- (a) Degree of involvement: Buyers exhibit different patterns of behavior in purchasing

different types of products and services. They buy cigarettes, pan masala, salt, toothpaste at a nearby shop and do not deliberate much on the characteristics of the product. It is more or less an individual decision taken in a short time. As such,

- Degree buyer involvement (High and low)
- Degree of differences among brands (significant and not)

Level of difference	High Involvement	Low Involvement
Significant difference among brands	Complex buying behavior	Variety seeking buying behavior

Few differences among brands	Dissonance reducing behavior	habitual behavior	buying
---------------------------------	---------------------------------	----------------------	--------

Complex buying behaviors: This is seen in case of products like computers, refrigerator and automobiles. Marketer should initiate the following actions:

- Help customer learn about the product, its attributes, uses, and benefits through detailed ads and exhibitions.
- Make comparative analysis of features and benefits of products in print media.
- Train and motivate sales personnel. They can effectively make prospects aware of and interested in products/
- Generate word-of-mouth advertising and influence opinion leaders.

Buying Evaluation Procedures:

Buyers process the information they have gathered about the products or brands and evaluate them with the help of their attributes. Buyer evaluation procedures, which urban usually employ, are also employed by rurals but in a less systematic way.

Four common approaches to evaluation are described here.

(a) Expectancy –value model: The procedure is as follows:

- Consumer identifies the attributes of the product/brands in which he is interested. For example, an educated farmer is interested in buying a moped. He identifies the attributes: resale value, fuel economy, speed, load carrying capacity and less maintenance costs and investment (price).
- He assigns weight ages to the attributes. More important attributes will have more weight age points. In this example, the farmer expresses his weight ages by distributing 10 points as follows: resale value (2), and price (1).
- He then identifies his consideration set of brands. Here, the farmer has three brands: Hero Majestic, Kinetic and TVS-50.
- He then states his expectations about the three brands based on their attributes. He may employ a rating scale if 1-10, (indicating 1—the lowest and 10—the highest preference). How many points is each attribute worth in case of the three alternatives? He judges. He considers TVS-50 worth 8 points when resale value is considered. Again, another 8 points he gives for its fuel economy. Likewise, he proceeds to give 7,7,8,5 points to TVS-50 for the other attributes, for example, speed, load carrying capacity, maintenance and price, respectively. He then proceeds to give scores to other models.

- He obtains a comparative picture for further analysis. The farmer's comparative table is as given below.

Table3

Attribute	Weight	TVS – 50	Hero Majestic	Kinetic Luna
Resale value	2	8	6	7
Fuel economy	2	8	5	6
Speed	1	7	6	6
Load carrying capacity	2	7	6	6
Maintenance	2	8	5	7
Price	1	5	7	7
Weighted score		77	57	65
(The scoring is reversed in case price. High price gets low score.)				

- The weighted scores are computed by multiplying the points with the respective weights. The one with the highest score is selected for purchase. Here, the farmer buys TVS – 50 as it has got the highest score $(2 \times 8 + 2 \times 8 + 1 \times 7 + 2 \times 7 + 2 \times 8 + 1 \times 5) = 77$ as follows. The other brands have got 57 and 65 points.

Buyer Characteristics

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

Research Methodology:

Products Selection

As it was not possible to include the whole range of products in the study, only a few of them have been selected. They are:

1. Laundry Soap/Detergent 2. Toilet Soap 3. Hair Oil 4. Toothpaste/tooth-powder
5. Perfume 6. Face Powder 7. Face Cream.

Scope Determination

The study is undertaken in Nagpur city. To cover entire Nagpur district was beyond the time and cost resources. Therefore the scope of the study was kept limited and only Nagpur city was covered.

Objectives:

The following objectives have been set:

- 1) To identify the most important reason why people choose their respective brands of different products in different demographic segments
- 2) To determine the influence of various purchase decision factors on buyers .

Review of Literature:

Ravallion M and Datt G (2019), in their study "Why Has Economic Growth been More Pro-Poor in Some States in India than Others", Journal of Development Economics, Vol.

68, No. 2, pp. 381-400. Has mentioned that influences Nagpur consumer buying behavior and its advantage and disadvantages

Subramanian S (2018, India's Development Experience, New Delhi: Oxford University Press specified varied people with different income level choose various brands and influence of income in it.

Sample selection

Simple Random sampling method has been adopted.

The sample size of 400 was distributed to these selected

Table 4

Source of Purchase for Nagpur buyers-product-wise

Source	No. of respondents used in different products categories							
	Soaps	Toile tsoap	Hair oil	Tooth paste /tooth powder	Perfume	Face powd er	Face crea m	Total
Shopping mall/cent ers	175	192	234	270	223	285	281	1660
	(43.7)	(48.6)	(58.5)	(69.6)	(73.4)	(81.7)	(80.1)	(64.0)
On line (via net)	215	199	151	96	39	50	53	803
	(53.8)	(49.7)	(37.7)	(24.7)	(12.8)	(14.3)	(15.1)	(31.0)
Hawker/ Station ary shop	10	9	15	22	42	14	17	129
	(2.5)	(2.3)	(3.8)	(5.7)	(13.8)	(4.0)	(4.8)	(5.0)
Total	400	400	400	388	304	349	351	2592
	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)

Note: Figures given in the parentheses show the percentages.

From the above chart we can observe that on line shopping and shopping from shopping mall are the predominant source of purchase for the buyers.

Table 5
The Influence of Various purchases Decision factors-Income groups-Wise

Influence level of different factors	Frequency of Response in different Income groups					
	Very low	Low	Medium	High	Very high	Total
Price:						
Very High	19(50.0)	27(47.4)	42(49.4)	55(47.0)	28(27.2)	171(42.75)
Moderate	16.(42.1)	14(24.5)	35(41.2)	48(41.0)	66(64.1)	179(44.75)

Not at all	3(7.9)	16(28.1)	8(9.4)	14(12.0)	9(8.7)	50(12.5)
Total	38(100)	57(100)	85(100)	117(100)	103(100)	400(100)
Quality						
Very High	28(73.7)	40(70.2)	63(74.1)	85(72.7)	78(75.7)	294(73.5)
Moderate	8(21.0)	17(29.8)	18(21.2)	26(22.2)	21(20.4)	90(22.5)
Not at all	2(5.3)	0(0)	4(4.7)	6(5.1)	4(3.9)	16(4.0)
Total	38(100)	57(100)	85(100)	117(100)	103(100)	400(100)
Design:						
Very High	5(13.2)	7(12.3)	15(17.6)	21(18.0)	48(46.6)	96(24.0)
Moderate	13(34.2)	23(40.3)	26(30.6)	68(58.1)	16(15.5)	146(36.5)
Not at all	20(52.6)	27(47.4)	44(51.8)	28(23.9)	39(37.9)	158(39.5)
Total	38(100)	57(100)	85(100)	117(100)	103(100)	400(100)
Company Image:						
Very High	5(13.2)	21(36.8)	63(74.1)	84(71.8)	57(55.3)	230(57.5)
Moderate	19(50.0)	27(47.4)	15(17.7)	23(19.7)	42(40.8)	126(31.5)
Not at all	14(36.8)	9(15.8)	7(8.2)	10(8.5)	4(3.9)	44(11.0)
Total	38(100)	57(100)	85(100)	117(100)	103(100)	400(100)

Note: Figures give in the parentheses show the percentages.

Table 6

Influence of various purchase Decision Factors-Income-group-wise (summarised)

Factors	Influence score in different Income groups						
	Very Low	Low	Medium	High	Very high	Total	Rank
price	54	68	119	158	122	521	3
Quality	64	97	144	196	177	678	1
Design	23	37	56	110	112	338	4
Company Image	29	69	141	191	156	586	2

From the above two tables, it was observed that Quality, is the most important decision making factor and it is followed by company image, price, design.

Table 7

The Influence of various purchases Decision factors-segment-wise

Influence level of different factors	Frequency of responses in different segments					
	West Nagpur	Central Nagpur	East Nagpur	North Nagpur	South Nagpur	Total
Price						
Very high	26(36.6)	23(39.0)	49(46.7)	33(41.8)	40(46.5)	171(42.7)
Moderate	34(47.9)	31(52.5)	46(43.8)	38(48.1)	30(34.9)	179(44.8)
Not at all	11(15.5)	5(8.5)	10(10.1)	8(10.1)	16(18.6)	50(12.5)
Total	71(100)	59(100)	105(100)	79(100)	86(100)	400(100)
Quality						
Very High	54(76.1)	47(79.7)	74(70.5)	62(78.5)	57(66.3)	294(73.5)
Moderate	14(19.7)	11(18.6)	22(20.9)	16(20.2)	27(31.4)	90(22.5)
Not at all	3(4.2)	1(1.7)	9(8.6)	1(1.3)	2(2.3)	16(4.0)
total	71(100)	59(100)	105(100)	79(100)	86(100)	400(100)
Design						
Very High	31(43.7)	11(18.6)	19(18.1)	14(17.7)	21(24.4)	96(24.0)
Moderate	26(36.6)	30(50.9)	26(24.8)	32(40.5)	32(37.2)	146(36.5)
Not at all	14(19.7)	18(30.5)	60(57.1)	3(41.8)	33(38.4)	158(39.5)
Total	71(100)	59(100)	105(100)	79(100)	86(100)	400(100)
Company Image:						
Very High	52(73.3)	26(44.1)	55(52.4)	34(43.0)	63(73.3)	230(57.5)
Moderate	16(22.5)	23(39.0)	40(38.1)	29(36.7)	18(20.9)	126(31.5)
Not at all	3(4.2)	10(16.9)	10(9.5)	16(20.3)	5(5.8)	44(11.0)
Total	71(100)	59(100)	105(100)	79(100)	86(100)	400(100)

Note: Figures give in the parentheses show the percentages.

Table 8

Influence of various purchase Decision factors-segment-wise (Summarised)

Factors	Influence score in different segments.						
	West Nagpur	Central Nagpur	East Nagpur	North Nagpur	South Nagpur	Total	Rank

Price	86	77	144	104	110	521	3
Quality	122	105	170	140	141	678	1
Design	88	52	64	60	74	338	4
Company Image	120	75	150	97	144	586	2

The above two table highlights the division based analysis. Here Nagpur is divided in 5 parts and the table is showing the influence of various factors segment wise.

CONCLUSION:

As indicated in the study, the Nagpur market, that for various products the decision making criteria is separate. It also had been observed that in different parts of Nagpur (e.g East, West, North, South, Central) different factors have varied impact. 04 variables were taken (i.e Price, Quality, Design, Company Image) as factors and then also the choice that the buyers have made was not uniform. So it can be concluded that separate parts of Nagpur is having separate buying criteria.

BIBLIOGRAPHY

- Subramanian S (2018, India's Development Experience, New Delhi: Oxford University Press
- Chatterjee S (2019), "Poverty Reduction Strategies Lessons from the Asian and Pacific Region on Inclusive Development", Asian Development Review, Vol. 22, No. 1, pp. 12- 44.
- Ravallion M and Datt G (2019), in their study "Why Has Economic Growth been More Pro-Poor in Some States in India than Others", Journal of Development Economics, Vol. 68, No. 2, pp. 381-400.