

## CHAPTER ONE

### INTRODUCTION

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## 1.0.0. INTRODUCTION

The present day consumers are at the cross roads caught between the communication network! The rapid industrialization process accentuated by mass production coupled with an ever increasing demand created by the population explosion has led to flooding of the market with varieties of products and brands. The spiral growth of mass media has further added their share of overload of communication to the already perplexed consumer.

The market trend has changed significantly from sellers' market to buyers's market, where the consumer has become the corner stone of the mammoth economical structure of the society. visualizing needs, developing new products, designing the package, creating an appeal, giving the product and brand an appropriate image have become the need of the day to woo the consumer to make the vital purchase.

Consumer is faced with more products and more brands today than ever before. The last decade has witnessed the surge in 'Fast Food', 'Quick Food', 'Soft Drinks' and assorted varieties in Health Food and Ready-made garments. Few brands survived the competition and have become the brand leaders. The success and failure ultimately rests with the decisions of consumers.

When the success of the new products and the survival of the existing products depend entirely on the consumer, one wonders to what extent the consumers are understood, analysed and even helped to make the right decision. It was assumed that Consumers' wants and needs are unlimited and therefore cannot be fully satisfied, they independently develop their own preferences which are consistent over time. They have perfect knowledge of exactly how much satisfaction the product can give and are perfectly rational and they will always act in a deliberate manner to maximize their satisfaction.

The limitations of these assumptions need not be over emphasized, because, Consumer behaviour is human behaviour which is a complex phenomenon. Consumers have diverse need patterns, perceptual and personality orientations, and temperamental structures. They have varied attitudes and values and they tend to influence others and at the same time they tend to be influenced by others.

The present study, therefore makes a modest attempt to segment the consumers on certain psychological dimensions namely, personality, perception and motivation. The major objective being to know to what extent personality, perceptual and motivational variables tend to determine the purchase of Personal Care/Grooming, Health/Medicinal and Socially oriented products.

Thus, an unbiased and objective categorization or segmentation of consumers based on the psychological dimensions would facilitate in making the marketing strategy a success. Considerable amount of money is being siphoned off in selecting the mass media, creating the message and appeal, however, the wrong message, media and the appeal would backfire the entire effort. In order to get grips with the vital role the mass media is playing in persuading the consumers and the extent of money that is being pumped into advertising, a summary of the Indian Advertising scene, the projected expansion of the mass media and the forecast of the viewership and readership by 2001 is presented below.

### 1.1.0. THE INDIAN ADVERTISING SCENE

"Never before did Indian advertising reach such a high point both in terms of volume and public endorsement of its relevance as in the last couple of years. By any count 1986-88 years more specifically will go down as a turning point in the Indian advertising industry. The total advertising outlay in 1987-88 having crossed the Rs.1000 crore level has achieved an all-time high growth rate of nearly 35 per cent over the previous year. One could be reliably sure of these outlays through Press, TV and Radio, which together account for two thirds of total advertising expenditure.

Advertising supports and sustains our Press and even Doordarshan. 35 to 50 percent of their budgets today come from advertising. As against the Press devoting about 32 percent of its space for advertisements, Doordarshan allots less than 5 percent of transmission time to commercials. There are, of course, some dailies, mostly in English, which devote even 50 percent of their space for advertisements," (Rao, 1988).

The content analysis of advertisements carried out by the Center for Media Studies (1988) in some 400 publications of all types which together accounted for 85 to 88 percent of all advertising through press in the country showed that next to consumer product advertisements, legal notices/tenders and entertainment related advertisements lead both in revenue yield and space.

#### 1.1.1.TV and Advertising

Advertising through Doordarshan in 1987-88 more than doubled over the previous year to Rs.139 crores, creating an all round flutter in the media and marketing circles in the country.

The steep increase was due to both the expanding reach of TV in the country and the initial enthusiasm it had generated. Doordarshan's national network with 10 million working sets and country-wide viewership from around 265 TV transmitters has become the most sought after advertising medium, also because, in 1987-88 Hindi serials carved out a niche for themselves for viewership, breaking the earlier monopoly of feature film-related programmes.

Commercials continued to cluster around Hindi feature films and serials, thus distinguishing the exposure environment of TV advertisements from Press advertisements. While advertisements in Newspapers are viewed against the background of news and current affairs and in a more credible context as far as urban markets are concerned, they are viewed in TV in a lighter or entertainment forum. This contrast in response potential has just started being realised in the advertising circles. This glaring feature of TV advertising, where 96 per cent advertisements cluster around Hindi films and prime time serials is bound to influence media planning.

Table 1.1.1. Showing the Percent of National Network Commercials.

National Network Programme	Percentage
Hindi Serials	52.2
Hindi Feature Film	19.7
Chitrahahar	15.3
English serials	9.2
Regional film	0.1
Others	3.6

The percentage of advertising expenditure for various product groups are shown in Table 1.1.2. Food Products, Textiles, Toiletries and other assorted Durable Products tended to dominate the advertising scene and thereby contributing more revenue to Doordarshan.

Table 1.1.2: Showing the TV Advertising Expenditure By Product Groups for all Kendras.

	Oct. 86	Oct. 87 (%Space)	Oct. 88
All Categories (Rs. '000)	102134 (100.0)	152253 (100.0)	156647 (100.0)
*Toiletries*	11.1	12.3	13.2
Washing/Cleaning mats	4.9	8.2	4.9
*Food Products*	18.2	18.7	22.5
Cosmetics	1.9	1.1	2.1
Personal Care Drug related items	4.0	3.1	4.2
*Textiles*	18.2	12.4	11.6
Electric/Electronic items	6.7	8.5	8.3
Other Consumer goods	9.3	9.3	8.1
Automobile related	8.7	6.0	7.9
*Other durables*	10.4	10.9	9.1
Farm related	0.6	1.1	1.5
Services	4.0	4.6	3.2
Construction related	0.1	0.2	1.4
Miscellaneous	1.9	3.5	2.0

Nevertheless, one can not ignore the extent to which TV has helped a couple of new brands and new entrants into the market almost in no time had made some others household names around the country, specially in the product groups of Toiletries both Bath Soaps, Detergents, Personal Care items etc., in the Food Product groups a variety of Quick Food, Health Food, Canned Food etc., and in the Textiles product groups the emergence of Ready-made cloth market. This potentiality should not be ignored.



Doordarshan is now one of the world's largest and fastest growing networks, covering a population of 520 million and transmitting for over 12 hours everyday. It achieved a landmark in the expansion of its network by setting up an additional 175 transmitters during 1989-90 taking the total to 510 by February 15, 1990. According to the annual report of the ministry of Information & Broadcasting for 1989-90. Doordarshan would have 520 transmitters by March end of 1990. Besides the 32 hour election telecast, the swearing in ceremony of the new ministry was telecast on December 20, 1990. Another landmark last January was increase in transmission timing of Regional Kendras and the second channel to include more regional programmes.

Television coverage would be available to about 84 percent of the population by the end of the seventh plan and the plan outlay for Doordarshan in the current year 1990-91 is Rs.215 crores which includes internal resources of 153.28 crores. A major achievement of the All India Radio was to provide round-the-clock service to listeners when the 'National channel' broadcast began from July 7th, 1989. The plan outlay for sound broadcasting sector for 1990-91 was Rs. 185 crores (Times of India April 27, 1990).

### 1.2.0 GROWTH OF TV AND PRESS IN 2001 A.D.

The percentage distribution of Readership/Viewership with respect to rural and urban population are presented below in Table 1.2.1.

Table 1.2.1. Showing the Percentage of Rural-urban Readership/Viewership :

Media	Percentage	
	Rural	Urban
Press 1970	20	80
Press 2001	33	67
TV 2001	17	81
Viewers Distribution	30	70

One of the major phenomenon of the eighties has been the rapid spread of television across the country. By 2001, there will be some 63 million sets in Indian homes against about 11 million in 1987. But only about 35 to 40 per cent of the population is expected to be viewers of Doordarshan by 2001. In fact, viewers at any point would be even lower.

As in the case of press, by 2001 some 70 per cent of the total TV viewer will be in urban areas. Interestingly, the distribution of TV viewers and newspapers readers between urban and rural areas would be roughly the same, 70% and 30% respectively.

But the percentage of population in rural areas with access to press and TV would be much lower at around 30 per cent (Table 1.2.1.). This implies that the urban viewers will continue to dominate the priorities of Doordarshan, hence the entertainment package akin to what exists now will continue even in 2001.

By 2001, Doordarshan will increase its commercial revenue three to four times but this growth will get stabilised around 1995 when AIR and cable/video will have made deep inroads into the revenues of all other traditional media (Rao,1980).

The break-up of commercial revenue for each of the popular medium is presented in Table 1.2.2.

Table 1.2.2. Showing the Total Advertising Through Major Media - 2001

	Rupees in Crores	
	Low	High
Press	1100	1350
TV	500	600
Cinema/Outdoor	530	575
Radio	70	75

The advertising expenditure through TV was in the range of Rs.145 crore in 1987-88. The percentage of time devoted to commercials by Doordarshan is likely to go up from about 2.5 to nearly 5 in 2001.

It is thus estimated that the advertising turnover in 2001 through all mass media including Cinema, Transit / Outdoor etc., would be in the range of Rs 2200 to 2500 crore.

The growth of the mass media clearly indicates the extent of the money being pumped into advertising and media agencies. However, the ultimate decision lies with the consumer in selecting the product and the brand and eventually buying them.

The consumer persuasion based on creating appeals and a sound consumer research goes astray if the consumer decides the opposite. Advertising has come to stay with a new look to lure the consumers. Hence, the agencies are keen and have made their job to know the consumers. Thus understanding the consumers has become mandatory in marketing process.

### 1.3.0 CONSUMER AND MARKETING

A sound understanding of consumer behavior is essential to the long-run success of any marketing program. In fact, it is seen as a cornerstone of the marketing concept, an important orientation or philosophy of many marketing managers. The essence of the marketing concept is captured in three interrelated orientations, viz., the Consumers, Manufacturers and Strategy.

Consumers' wants and needs refers to the focus on identifying and satisfying the wants and needs of consumers. The intention of the Firm is not seen as merely providing goods and services. Instead, want and need satisfaction is viewed as the ultimate purpose, and providing products and services is the mean to achieve that end. Company objectives refers to the emphasis on satisfying a small proportion of all desires will most effectively utilize its resources and the integrated strategy refers to effort which is most effective in achieving a firm objective through consumer satisfaction. For maximum impact this requires that marketing efforts be closely coordinated and compatible with each other and with other activities of the firm.

The planned approach of communication strategy to be effective is to define the objectives taking into the account of both the long term and the short term outcome relating to the need and circumstances of the consumers. Thus the effective strategy implies a continual market-opportunity analysis defining a target group (market segment) and evolving an optimal product mix.

#### 1.4.0 NEED FOR THE PRESENT STUDY

In a general sense, the most important reason for understanding consumer behavior is the significant role it plays in our lives. We wake up with radio jingles where message blends with music when we grab the Toothpaste the shelf displays brands of Grooming, Beauty, Personal Care and Health products. Sitting at the table for breakfast, labels of favourite foods hold our attention. Even a morning newspaper contains more of advertisements than news. Much of our time is spent directly or indirectly in the market place, shopping or engaging in other activities.

A large amount of additional time is spent thinking about product and services, talking to friends about them, and seeing or hearing advertisement about them. In addition, the goods one purchases and the manner in which one uses them significantly influence one's life.

Consumers are often studied because certain decisions are significantly affected by their behavior or expected actions. For this reason, consumer behavior is said to be an applied discipline. Such applications can exist at two different levels of analysis. The macro perspective applies knowledge of consumers to aggregate level problems faced by large groups or by society as a whole. The micro perspective seeks application of this knowledge to problems faced by the individual firm or organization.

The present study therefore, attempts at micro level of understanding consumer purchase behaviour and it does not aim at explaining the macro aspects. As it was mentioned earlier, the product groups of Food Products, Textiles, Toiletries and other durables occupy the major space in the TV medium in India and yielding a higher revenue to Doordarshan.

Consumers are faced with more number of brands in any given product today than any time before. Success of the product promotional strategy depends on consumer preferences and decision making process. This study therefore makes an effort to identify the market segments for various consumer goods based on psychological variables.

#### 1.5.0. COMPLEXITY OF CONSUMER BEHAVIOUR

Consumer behaviour is manifested and exhibited in planning, purchasing, and using economic goods and services involving decisions and physical activity aimed at evaluating, acquiring, using, or disposing of goods and services. Thus consumer behaviour is an integral part of human behaviour and human behaviour is complex.

However, the term "customer" is typically used to refer to someone who purchases from a particular store or company. The term "consumer" more generally refer to anyone engaging in any of the activities in planning, purchasing and consuming the goods or products. Hence attention is directed towards ultimate consumers, those individuals who purchase for the purpose of individual or household consumption.



The most commonly thought of consumer situation is that of an individual making a purchase with little or no influence from others. However, in some cases a number of people can be jointly involved in a purchase decision. In other cases the purchaser may just be acquiring a product for someone else who has asked for a certain item. These situation suggest that people can take on different roles in what we have defined as behavior. Table 1.5.1. presents one way to classify these roles.

Table 1.5.1. Showing the Classification of Consumer Roles.

Role	Description
Initiator:	The individual who determines that some need or want is not being met and authorizes purchase to rectify the situation.
Influencer:	A person who by some intentional or unintentional word or action influences the purchase decision, the actual purchase, and/or use of the product or service.
Buyer:	The individual who actually makes the purchase transaction.
User :	The person most directly involved in the consumption or use of the purchase.

Since there are many patterns of planning, purchase, and consumption, the term "consumer behavior" is used in a global sense to include them all.

The term includes the individual who buys for personal consumption as well as the individual who buys for others. It includes those who may be consuming units, even though they did not actively participate in the buying activity. It is used, in short, to encompass the entire decision making-buying-consuming process, regardless of who is involved. Thus making the understanding of the consumer behaviour a complex process.

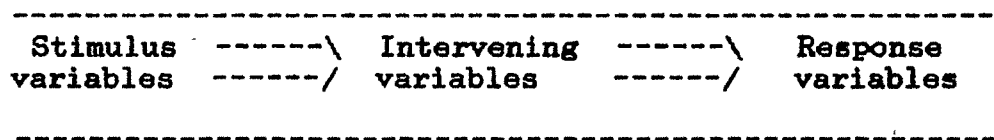
Hence, the present study uses both "consumer behavior" and "buyer behavior" interchangeably. Planning, buying, and consuming products is a process that takes place over time. Buying itself is only one part of the process, and often not the most important part in order to explain a particular purchase, it is necessary to understand the background of the buyer and to be aware of that person's knowledge of or experience with the product or brand in question. In any case, a variety of past and present factors influence consumers. Future decisions will be influenced by present behaviour. If a consumer is pleased with the product purchased, he will be inclined to purchase it again; if he is displeased, he will probably change to something else.

Consumers are continuously confronted with a great variety of specific situations. Seeing an advertisement, learning of a new product, or experiencing dissatisfaction when using a good or service are examples of such situations. Three classes of variables are involved in understanding consumer behavior in any of these specific situations: stimulus variables, response variables, and intervening variables.

Stimulus variables, such as advertisements, other people, and products, exist in the individual's external environment and are also produced internally. Response variables are the resulting activities of individuals who are initiated by stimulus variables to do something. These include observable actions such as gesturing, purchasing certain products. However, response variables can also include an increase in knowledge (awareness) about a product, a change in attitudes toward it, or a reduction in an intention to purchase it. The distinction between two groups of response variables is that some are overt, or easily observable, while others, such as an attitude, are internal to the individual and cannot be seen.

The third category of variables is referred to as intervening variables because they actually intervene between stimuli and responses. Some stimuli do not directly affect responses but their effects are modified by the influence of intervening variables. These variables are internal to the individual and can include motives, attitudes towards things and events, and perceptions of the world. Figure 1.1 graphically depicts the central role of intervening variables and how they can modify the influence of stimulus variables.

Figure.1.1. Showing the relationship between stimulus, intervening, and response variables.

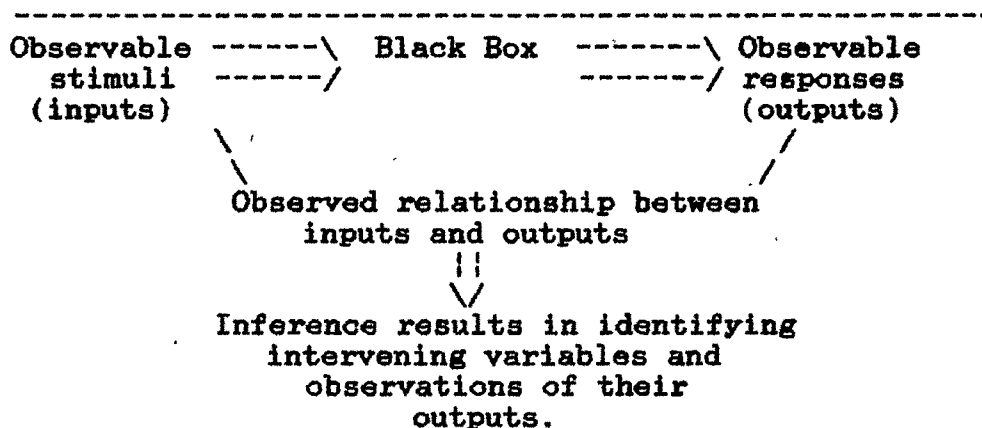


The intervening variables and many response variables cannot be directly observed. This requires developing methods to determine whether such unobservable variables actually exist and what their characteristics are. One approach to the problem involves devising instruments which will measure or be related to the variables of interest. Such as measures to assess consumers' motives, personalities, attitudes, and purchase intention.

Another way to study unobservables can best be illustrated by the black-box concept first originated in electrical engineering. Basically, as shown in Figure 1.2, we imagine a black box hiding some variable or process from our observation. We can view the stimulus inputs to the box and certain response outputs from it, but we can't see the intervening variables which connect these inputs and outputs.

Careful observation of inputs and visible responses enables a judgment to be made regarding the contents of box. This process is termed an inference.

Figure. 1.2: Showing the black-box approach to inferences about intervening variable.



The inferences based on the observable responses (outputs) are complex because of the difficulties of the inference process, subjectivity of the individual's behaviour and due to the large number of input variables which are both observables and unobservables stimulus factors.

The past experience of individuals influence their view of the world. Because the experience of people differ, any given situation will be interpreted somewhat differently by each individual. Therefore one must realize that consumers act on their subjective perceptions of the world, which are often considerably different from those of others.

The variety of input variables both external and internal categories that can potentially influence consumer behavior is numerous. The external environment is also capable of influencing the individual's psychological condition and therefore his or her behavior. As with internal variables, the external environment consists of present, past and future components, having physical, economic, and social factors.

Aspects of the past environment relates to consumer learning based on the past experiences. Sometimes this learning becomes so strong that it is converted into habits without consumers even being aware of their effect. Finally, expectations about the future can affect consumer's present behavior. Not only do numerous variables affect consumers, but they also frequently interact to magnify, cancel, or redirect each other's influence.

In view of the complexity of human behaviour, the marketing practitioner are concerned with (1) human predictability, (2) the question of objectivity versus subjectivity, and (3) the problem of rationality. (Runyon, 1977).

Predicting consumer behaviour from psychological variables has been the major focus of many past researchers working in this area. Predictability is a key issue, because if human behavior is totally unpredictable, there is little reason for the marketing practitioner to devote time to its study.

Marketing exists in the objective world. Its products, prices, and promotions are public events that are visible to everyone. The primary concern of the marketer, however, is the subjective or private world of the consumer, which he tries to relate with objective realities. It is in this context that values, attitudes, motivations, and product images that dominate the private world of the individual become relevant.

Rationality is basically an economic concept. According to this concept, an individual purchases the product for purely economic reasons, thereby, maximizing its utility. Purchasing is also based on purely emotional or subjective reasons which is sometimes termed as irrational. But the fact is that all purchase behaviour whether based on objective facts or subjective reasons is purposive or goal directed. Hence, now a days researchers do not make a sharp distinction between rational and emotional modes of purchase.

Since studying consumer behavior is quite complex, especially because of the many variables involved and their tendency to interact. Models of consumer behavior have been developed in an effort to overcome these difficulties. Formal models of consumer behavior began to appear in the 1960s. These models attempted to describe and systematize the buying process and thereby provided a guide for further study and research. They consist of elaborate flow charts designed to reflect the various factors influencing consumer behaviour, without providing an adequate method for evaluating the relative importance of the variables involved. Nicosia (1966); Engel, Kollat, and Blackwell (1973); and Howard and Sheth (1969).



#### 1.6.0 RELEVANCE OF THE PRESENT STUDY

Most of the research in the consumer behavior have been entirely devoted to developing and testing various attitude and intentions models. Fishbein's (1967) model of behavioral intentions has spawned extensive research investigation both the theory and its applications in a number of disciplines (Ajzen and Fishbein 1973).

A good deal of research has appeared in the consumer behavior literature, as reviewed by Ryan and Bonfield (1975), and more recent work continues to appear (Ahtola 1976; Carnegie-Mellon 1978; Dickson and Miniard 1978; Fishbein 1976; Glassman and Fitzhenry 1976; Lutz 1977, 1978a, 1978b; Miniard and Cohen 1979; Miniard and Dickson 1979; Ryan and Peter 1976).

Much of the marketing research based on the Fishbein model has focused on demonstrating statistically significant correlations between a "direct" measure of brand attitude (e.g.,  $A_o$ ) and the cognitive structure index of attitude based on product attribute beliefs (Wilkie and Pessemier 1973).

Several researchers have suggested that this model provides a theoretically integrated set of measures of the cognitive effects of marketing variables, particularly advertising (Lutz, 1975; Mazis and Adkinson 1976; Olson and Mitchell 1975). In applying this approach, beliefs about attributes of the advertised brand, brand attitudes, and purchase intentions are measured to indicate the multiple effect of a particular communication message on cognitive structure variables (e.g., Olson and Dover, 1978).

The measures of brand attribute beliefs seem particularly useful in providing diagnostic information about the effectiveness of a message strategy. A second emerging interest of a few researchers is the theoretical basis for attitude (Calder 1975, Mitchell, Olson and Dover 1978; Olson and Mitchell 1975).

The present study attempts to try out the new model for predicting behavioural intentions, an alternative to Fishbein proposed by Warshaw (1980).

Of the various criteria used to measure the purchase behavior, namely the actual purchase represented through maintaining diaries, recall, observation at the purchase point, or the intended purchase measuring the intention to purchase, the present study employs two different measures to assess the product purchase behaviour viz., the Frequency of the actual purchase and the Intended purchase as measured by the proposed model of Warshaw (1980).

Personality and consumer behavior comes only next to attitudes in consumer researches while predicating purchase behavior. Efforts to relate personality and purchase behaviour have generated results described as no better than equivocal (Kassarjian, 1971). One reason for this relative lack of success has been the manner in which both personality and purchase measures have been selected. Often those tests used for measuring personality are described as 'short-in-the-dark' (Wells, 1975), 'shot-gun' (Kassarjian, 1971), are more simply 'atheoretical' (Jacoby, 1970). Thus, these terms subsume a variety of problems concerning the selection and utilization of appropriate predictor and criterion variables.

Similarly, the motivation researches have also yielded results inviting criticism about the entire process of motivation research. Often certain personality instruments were used to measure motivational states. A few studies however used need achievement as a predictor variable in the area of consumer research.

In the area of perception, attribution has been dominating the research scene, especially 'object attribution', in brand preference and to a lesser extent in person perception more specifically in attributing to the success or failure.

This investigation slightly deviates from the heavily emphasized area of purchase behavior, namely attitude, but devotes more to Personality, Motivation and Perception of the consumer in predicating the purchase behavior. This study does use the 'Behavioral Intention' model of which is a proposed alternative to Fishbein's model to measure the purchase intention as dependent measure.

Efforts were made to locate relevant instruments which were directly reflecting the consumer behaviour. Thus 'CAD' proposed by Cohen (1967) developed specifically for marketing research measuring personality based on the personality theory of Horney was used in this study.

Though perception and buying behaviour have been given a lesser attention, emphasis has been to study perception through attribution process in the area of consumer behavior. Researches were mainly focused on the object/product attribution, and interpersonal (social inference) in the buying process, (Frank, Massy and Lodhal, Calder and Burnkrant, 1977; Sparkman and Locander, 1980 and Bettman, 1974). This investigation employs the attributional analysis of causes of success and failure to assess the impact of perception.

In general, the major focus of the present investigation is to know to what extent consumer buying behaviour could be predicted from three sets of variables namely, personality, perception and motivation. The present research is also based on more comprehensive considerations for various product groups, measurement of purchase behaviour and analysis of data using more appropriate techniques.