INSTITUTE OF PUBLIC ENTERPRISE

# **Journal of Marketing Vistas**

#### Volume 8, No 2, July-December 2018

#### A Study on the Role of Digital Sources on the Buying Behaviour of Women with Reference to the South Region of India A Vanitha

# Buying Behaviour of Bicycle Customers in India: A Comparative Study of Hero Cycles and B-Twin

Uppuliri Srinivasa Venu, Vijay Kumar Singh and A. Ramachandra Aryasri

## Experiential Consumption: A Review

Pratyush Ranjan

Information Acquisition Behaviour in Family Purchase Decisions: A Study of FMCGs Sakshi Sharma and Maninder Gill

Sharing Self-Portrait and Correlates of Personality Ekta Duggal and Harsh V.Verma

## Understanding the Interplay Between Message Characteristics, Demographic Factors and Word of Mouth Effectiveness

Sandeep Kumar Singh and Mrinmoy Kumar Sarma

Book Review Santro:The Car That Built a Company Author: BVR Subbu Reviewer:A. Sridhar Raj

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**Journal of Marketing Vistas** provides a platform to marketing professionals from academia and industry to exchange information on emerging marketing practices and theory across industry around the globe.

Articles in the Journal furnish information on trends in areas including, but not limited to, Strategic Marketing, Promotion Management, New Product Management, Pricing Decisions, Product-Line Management, Competitive Strategy, Buyer Behaviour, Marketing Research, Market Information System, International Marketing, Services Marketing, Segmentation Targeting and Positioning, Sales Force Management, Retail Management, Customer Relationships Management and e-Marketing.

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## Editorial

The major challenge, marketers face today is not VUCA conditions of environmental factors, but VUCA behavior of consumers in digital era. It is unavoidable to identify the complex behaviors of consumers in various segments to design further moves in the competitive environment. The complexity of understanding consumer behavior in technology platform is mounting the pressure on digital marketers. The role of digital sources on women buying behavior is tested with structural equation model has proved that women are more prone to buy online in spite of the impact of security, trust and transaction cost.

Breakthrough products are those impacting the society and changing the lifestyles of various segments in the market. Bicycle usage is one such issue that can turnaround the economic conditions. A comparative study on buying behavior towards bicycles of two brands, one Indian and the other, otherwise Indian has established a note to change the policy decisions to create or co-create bicycle ways along with the other pathways for motor vehicles. Encouragement to use bicycles by providing categorized roadways will certainly improve the economic conditions and also the happiness index.

Utilitarian and hedonic behaviours differ in magnitude of the response of consumers. Impact of hedonic behavior is more than the utilitarian behavior. Experiential value is also a part of value creation along with the economic

value addition. It is interesting to know that age plays a moderating role in controlling the behaviors resulted out of utilitarian and hedonic motives.

Though there are many articles on factors influencing purchase behavior, it is interesting to understand the factors influencing the information search behavior, which is more specific and depth in study. Customer involvement is very high in case of FMCG products, irrespective of the cost and product life. It is stated that personal references are very well used in search of information to make a purchase decision. Word of mouth communication is the most reliable and impactful promotion tool among the marketing communication tools.

Apple production and exportation is the major revenue generating business in Jammu and Kashmir. Owing to its large scale production, ample employment opportunities welcome the youth of the state. The growth of fresh and dry fruits in Jammu and Kashmir has been showcased with the help of secondary data tables for better understanding of the resource rich state.

We encourage research based articles related to the various marketing areas in this Journal. However, articles based on descriptive research, expert views and case studies are also finding place due to their high quality inferences.

> Dr. M. Meher Karuna Managing Editor

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## A Study on the Role of Digital Sources on the Buying Behaviour of Women with Reference to the South Region of India

## A Vanitha\*

## Abstract

The emerging role of technology with special application of digital and social media has refined the dynamism of living standard in modern society. The opportunity gap of exploiting the market demand through technology driven marketing (through digital sources) has been slowly accepted and adopted by consumer groups. The buying behavior of female consumers have been changed with relevance to different attributes while buy through digital sources. The wide spread of digital sources and its apparent accessibility induces the women to either accept or buy readily the product and services. This research paper endeavor to address the research gap of role of digital sources on buying behavior of women consumers in south India. There were around 435 women were approached to understand their view on buying through digital source references. A structural equation model has been framed and tested through collected data with the support of AMOS 17 version.

**Keywords:** Women Consumers, South India, Digital Sources, Buying Behavior, Ready to Accept & Buy, SEM, AMOS

## Introduction

The dominance of digital sources in human life is increasing on day by day. The modern gadgets as the effective communication system in digital economy disperse its applications in all human required domains. In this aspect the proliferation of communication technologies, especially internet, searching engines, mobile technology, telemarketing, virtual interaction system and social media have become powerful electronic commerce sources. Initially, the technology driven communication systems were employed by the business ends for the purpose of order taking, customer data management, product testing and distribution. But at present, these digital sources are gaining its utilization among buyer groups for the purpose of market knowledge gathering, on line shopping, new product arrivals, market analysis, order placing and so on. Technological awareness and the trust towards the digital sites are the main factors that have led to the emergence of the concept of online shopping (Chang, Cheung & Lai, 2005). The trust created by the websites in the minds of customers had, in turn, created a positive attitude

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towards these sites thus increasing the customer base of online shoppers by each passing day (Yoo & Donthu2001). According to (Krbová& Pavelek, 2015), the business-to-consumer online shopping has gained considerable appeal during the past few years. Schlosser, White and Lloyd (2006) argue that more and more effort shall be put by the shopping portals to convert the website visitors into buyers Presently, the free flow of advanced technologies especially 3 and 4<sup>th</sup> generation networks, induces the consumer groups to use digital sources for their buying activities. In addition to that, the technology especially digital communications have become user friendly, which influx more women to use the digital sources for the buying activities. The changing personal and social background of women in India especially about education, life style, compulsory occupation and media interaction promptitude them to use digital sources for their buying activities. The surprising facts revealed by various economic and market surveys that the rural women consumers also prefer to buy through digital sources. But at the same time, the demarcation derived by the commercial sources regarding the buying behavior of women in terms of digital and physical sources while they search, evaluation, decide, buy and post responses. Faqih (2013) found that the users' intentions were influenced in a positive way due to the electronic word of mouth as it showed a 10% increase in sales of online hotel bookings. (Lee & Ma, 2012) revealed that users use online reviews to reduce their perceived risk associated with the online purchase they make The buying pattern since from need recognition, searching, evaluation, buying intention, actual buying and post buying behaviour through digital sources are completely influenced by set of factors like subjective norms, security of transaction, transaction cost, trust and belief of product and web sources and so on. The amount of importance a digital source gives for these aspects either by own web sites as well as promoter sites leads to different buying reaction among the women consumers. In addition to that, it is generally observed in our country women consumers prefer to buy affordable and impulse items like fashion materials, textiles and apparels, low cost jewelries' and care items through web sources. In this aspect, the role of digital sources needs to create interest and action of buying.

## Literature Review

According to Internet World Stats in December 2013, India has the second largest number of internet users in Asia after China despite having a low internet penetration rate of just 15.8 percent. Based on the Internet Live Stats, India's count of internet users has been increasing at a rate of 4323% from 2000 to 2014. This large internet user base will have a direct effect on the Indian online shopping business. In fact Google India mentions that around 50 million Indians purchases products online and this number is rising every year. According to the definition provided by Michael Solomon, consumer behaviour is an area of study that covers a lot of ground and involves the study of individual or groups in a process where they select, purchase, use or dispose of products or services to satisfy needs and desires. (Solomon 2011, 33). As stated by Solomon, consumer buying behaviour is a study of buying behaviour that occurs each time a consumer decides to purchase

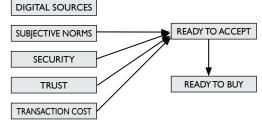
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a product. It is an internal thought process (a process often referred to as the buying process) and it begins with the consumer recognizing a need or desire to purchase something. Consumer buying behaviour is more complicated than merely the transaction where consumer buys the product. It also involves the study of factors preceding the buying situation. It considers the thought process which pre-empts the buying, where the consumer recognizes the need and conducts research into different options before making an informed decision. It also includes post-buying actions where the consumer considers the experience before determining whether to use that retailer again in the future. (Solomon 2011, 34-36.). The idea of using social media as a source of information when considering what to buy from online stores is a growing trend, and not just in Finland. According to a study conducted in the UK, the habit of using these different communication channels for information has and is continuing to increase yearly, especially among users under the age of 30. The figure provided by the research compares the results between years 2010 and 2011 about how many different communication channels are used to gain information about products. (Business2Community, 2011.)

## Statement of the Study Problem

The buying behaviour is the dynamic aspect in the consumerism aspect of every consumer. The changes in environment and market related aspects have a consistent impact on the purchasing pattern among the consumers. The buying behaviour from need recognition to post purchase action differ among every individuals. It is highly significant between male and female. In present day digital era, the role of technology is unavoidable in various buying situations. The marketing community attempts to promote its products and services through digital sources. Since from the need identification to post purchase feedback, digital sources play predominant roles in addition to that, buying through digital source supports has viewed as convenient, less time consuming and cost effective. The usage of digital sources for buying specialty items like fashion materials, impulse goods and care items is augmenting on day to day basis among the female consumers. In this situation, a comprehensive study is required to know the influence of digital sources on the buying beahviour of female consumers with special reference to south Indian background.

#### Figure-I: Proposed Research Model



Source: prepared by the author

The proposed conceptual model (refer Figure-1) has taken four constructs under Digital sources namely subjective norms, security, trust and transaction cost. The

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effect of these four constructs on ready to accept is going to be measured through structural equation model (SEM) and also test the effect of ready to buy.

### **Objectives of the Study**

- To known the personal and social background of female consumers who prefer to buy though digital sources in south India.
- To understand the reasons for preferring to buy through digital sources.
- To learn the influence of digital sources related aspects (subjective norms, transaction cost, security and trust) on the buying behaviour of female in terms of ready to accept and ready to buy.
- To explore and test suitable model for digital related buying behaivour by female buyers.

## **Hypotheses**

- There is an impact of subjective norms on the ready to accept of buyers
- There is an impact of security of digital sources on the accept of buyers
- There is an impact of trust and belief of digital sources on the ready to accept of the buyers
- There is an impact of transaction cost through digital sources on the ready to accept of buyers
- There is an impact of subjective norms, security, transaction cost and trust on the ready to buy of consumers.
- There is an impact of ready to accept on ready to buy among the buyers.

## Scope of the Study

The present study covers the role of digital sources on the buying behaivour of female buyers in terms of their ready to accept and buy in south Indian regions. The study has chosen both categories of working and non working women. The women buyers with heterogeneous background have been chosen for the study. The buying behaviour has been tested with reference to fashion and care materials like personal, skin, oral and body.

#### **Methods and Measurements**

The present study has designed its research problem through series of observations among the women and their consumption through digital sources over a period of time. It is also observed the advantages as well as disadvantages encountered by them while they buy through digital sources. During the time of observations, it was also noted that there are specific products and services preferred by women to buy through digital sources. Surprisingly while it observations and frequent interactions among the women community the non-employed women as well as with less literacy background and rural destinations also prefer digital sources for either to know products as well as place orders. In this aspect related literatures were reviewed by the researcher about the influence of digital and online sources on the consumption pattern of female consumers in general especially in India. The researcher also reviewed the related articles about the influencing aspects among the women to buy through digital sources and consequences of referencing digital sources on their post decision pattern. Some of the interesting article reviews proclaimed that the preference of digital sources by south Indian women is quite high compare to other parts of India. In addition to that, during the time of literature reviews, it was observed by the researcher that the uniqueness of factors considered by south Indian women in terms of trust and belief. Further to that, a focus group interview was conducted among women both at work as well as off places informally on their preference of buying through digital sources, constrains faced by them, their knowledge of buying through digital sources as well as importance's given by them while buy and surf through digital sources. The outcome of this pilot study helped the researcher to coin the research topic of identifying the sources influence digital sources on the buying behaviour women consumers and its consequences on buying. Based on their pilot study, a comprehensive questionnaire was prepared with 32 items covers the aspects of factors considered by women while buy through digital sources and its outcome. Initially after preparing the questionnaire it was discussed with some experts in the field as well as women who do frequent surfing for buying varieties of items. Based on their responses and suggestions the questions related to cost part were added and some aspects related to actual purchases were removed. The finalized questionnaire was reframed. The items were probed and measured with Likert scale (1- strongly disagree to 5- strongly agree).

During the time of pilot survey, the respondents were met conveniently and asked their status of using digital sources for buying fashion and care products. There were around 140 respondents were met either personally or through digital enquiries and among them it was observed 72 percent of respondents prefer to buy through digital sources and 28 percent did not prefer. With this proportion, the following formula was applied to determine the sample size through proportion.

 $N=Z^{2} p (1-p)/(SE)^{2}$ Z= 1.96, P= 72%, q = 28%,, SE= 0.001

The sample size was estimated as 547. As a first phase, the pre testing of questionnaire was done among the 70 respondents. During the time of pre testing, it was observed that some questions the respondents were unable to understand and clearly respond (for example in terms of patronage of digital sources and display, where the term patronage was reframed as attractive and display was removed). During the time of pretesting, the item as well as content validity was verified. The obtained responses were verified for scale validity, all the items were correlated with above 0.7 (cronbach alpha), subsequently further data were collected from the remaining respondents. The obtained 547 responses were initially cleaned for data purification. The exploratory factor analysis was carried out, where in which 21 items were retained under 6 constructs namely security, trust, subjective norms, transaction cost (all these constructs were loaded with minimum 3 items under each construct). The above said four constructs were taken as exogenous factors (which collectively measured digital sources), the outcome was termed as two constructs namely ready to accept and use. These two constructs were taken as first order and second order endogenous with minimum three items under each construct. The items loaded under each construct were tested for its convergent validity, Average variance Extracted and discriminate validity. The details are attached the below table.

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Table-1: The De	tails of Convergent	Validity
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Construct	Items	Reliability	<b>Convergent Validity</b>	AVE
	SNI	.769		
SNN	SN2 SN3	.767 .768	0.768	0.637
	SCI	.746		
SCC	SC2 SC3	.752 .747	0.7483	0.773
	TSI	.761		
TSS	TS2	.764	0.761	0.812
	TS3	.758		
тсс	TCI TC2 TC3 TC4	.745 .754 .752 .748	0.749	0.665
	RAI	.769		
	RA2	.771		
RAA	RA3	.769	0.769	0.529
	RA4	.768		
	RBI	.769		
RBB	RB2 RB3	.764 .764	0.766	0.582
	RB4	.769		

Source: Computed data through SPSS

## Sample Size Distribution

The selected responses for this study has been analyzed for their personal and professional background (refer Table-2).

Table-2: Personal Background of the Respondents

SI. No	Category	Description	Number of Respondents	Percentage to Total
		Less than 30	98	18
1	Age Background	31 to 40	256	47
		above 40	193	35
	Ed. and and	UG	76	14
2	Educational qualification	PG	287	52
		others	184	34
3	Occupational	Manufacturing	112	20
3	Background	Service	435	80
	March Land	< 20,000	175	32
4	Monthly Income	20,001-40,000	290	53
	(in Rs.)	>40,001	82	15
5	Nature of family	Nuclear	411	75
2	Nature of family	Joint	136	25
	Tot	al	547	100

Source: Computed data

The Table-2 infers the personal background of the respondents. In terms of their age group 47 percent belong to the age category of 31 to 40. The educational

qualification refers 52 percent of PG degree. Regarding their occupation background, 80 percent are in service sector who are in education, hotel, tourism etc. The monthly income shows that 53 percent of the respondents get between Rs.20,001 and 40,000 and 75 percent of the respondents are in nuclear system.

Table-3: Test of Discriminant Analysis for the Measurement Model

CR	AVE	MSV	MaxR(H)	TSS	SNN	SCC	TCC	RAA	RBB
0.928	0.812	0.014	0.939	0.901*					
0.837	0.637	0.067	0.882	0.020	0.798*				
0.911	0.774	0.219	0.942	0.117	0.038	0.880*			
0.886	0.666	0.219	0.974	0.076	0.040	0.468	0.816*		
0.812	0.529	0.015	0.927	-0.004	0.095	0.053	-0.057	0.727*	
0.838	0.582	0.067	0.932	0.060	0.259	0.014	-0.060	0.121	0.763*
	0.928 0.837 0.911 0.886 0.812	0.928         0.812           0.837         0.637           0.911         0.774           0.886         0.666           0.812         0.529	0.928         0.812         0.014           0.837         0.637         0.067           0.911         0.774         0.219           0.886         0.666         0.219           0.812         0.529         0.015	0.928         0.812         0.014         0.939           0.837         0.637         0.067         0.882           0.911         0.774         0.219         0.942           0.886         0.666         0.219         0.974           0.812         0.529         0.015         0.927	0.928         0.812         0.014         0.939         0.901*           0.837         0.637         0.067         0.882         0.020           0.911         0.774         0.219         0.942         0.117           0.886         0.666         0.219         0.974         0.076           0.812         0.529         0.015         0.927         -0.004	0.928         0.812         0.014         0.939         0.901*           0.837         0.637         0.067         0.882         0.020         0.798*           0.911         0.774         0.219         0.942         0.117         0.038           0.886         0.666         0.219         0.974         0.076         0.040           0.812         0.529         0.015         0.927         -0.004         0.095	0.928         0.812         0.014         0.939         0.901*           0.837         0.637         0.067         0.882         0.020         0.798*           0.911         0.774         0.219         0.942         0.117         0.038         0.880*           0.886         0.666         0.219         0.974         0.076         0.040         0.468           0.812         0.529         0.015         0.927         -0.004         0.095         0.053	0.928         0.812         0.014         0.939         0.901*           0.837         0.637         0.067         0.882         0.020         0.798*           0.911         0.774         0.219         0.942         0.117         0.038         0.880*           0.886         0.666         0.219         0.974         0.076         0.040         0.468         0.816*           0.812         0.529         0.015         0.927         -0.004         0.095         0.053         -0.057	0.928         0.812         0.014         0.939         0.901*           0.837         0.637         0.067         0.882         0.020         0.798*           0.911         0.774         0.219         0.942         0.117         0.038         0.880*           0.886         0.666         0.219         0.974         0.076         0.040         0.468         0.816*           0.812         0.529         0.015         0.927         -0.004         0.095         0.053         -0.057         0.727*

Source: Prepared by the author, computed data through StatWiki.

Notes: \* values are square root of AVE; others are correlation coefficients. The diagonal values in Table-3 with '\*' and text in bold represent square root of average variance extracted (AVE).

**Table-4:** Computation of Degrees of Freedom (Saturated Model)

Number of distinct sample moments	231
Number of distinct parameters to be estimated	60
Degrees of freedom (231-60)	171
Chi-square	326.390
Probability level	.000

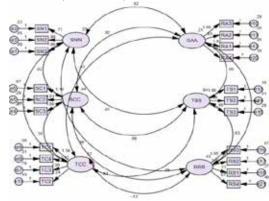
Source: Prepared by the author, computed data through AMOS

The number of sample moments is 231(refer Table-4) and number of distinct parameters to be estimated is increased to 60(231-60=171), since the model is over identified, the further measurement fit was done for improvement. The probability level shows the achievement of minimum to construct improved measurement model.

#### Measurement Fit (Initial Model & Saturated Model)

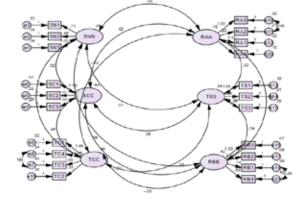
The initial (default) model was attempted with 21 items with four constructs. The following results were obtained in the initial model.

Figure-2: Measurement Fit (initial Model)



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#### Figure-3: Measurement Fit Model (Saturated Model)



\*\*\*SNN - Subjective Norms, SCC – Security, TSS – Trust, TCC – Transaction Cost, RAA – Ready to Accept and RBB – Ready to Buy

The initial measurement model (refer Figure-2) drawn with four constructs namely subjective norms, security, trust, transaction cost, ready to buy, ready to accept, generated the model and achieved the minimum (refer Table-5). But the model has generated absolute fit (GFI> 0.9 and RMSEA < 0.08) and parsimonious fit (chi-square/Df<5), but unable to provide required incremental fit ((AGFI>0.8, NFI>0.9 and TLI>0.9)). In order to obtain the incremental fit, modification indices were employed. The obtained results were shown in the below Table-5.

#### Table-5: Initial Model Analysis and Improved Measurement Fit Indices

Fit indices	Recommended	Obtained	Fit indices	Recommended	Obtained
Chi-square	-	678.842	Chi-square	-	326.390
Chi-square/df	<5	3.901	Chi-square/df	<5	1.909
GFI	> 0.9	0.901	GFI	> 0.9	0.946
AGFI	> 0.9	0.868	AGFI	> 0.9	0.928
NFI	> 0.9	0.907	NFI	> 0.9	0.955
TLI	> 0.9	0.914	TLI	> 0.9	0.973
RMSEA	< 0.08	0.073	RMSEA	< 0.08	0.041

Source: Prepared by the author, computed data through AMOS

The retained and loaded items were further taken for confirmatory factor analysis (CFA). Initially uni-dimensionality was tested for each construct. All the constructs were loaded with retained items with required standardized estimated (above 0.5) and squared multiple correlations (above 0.4). Subsequently measurement fit was verified for the identified model. The measurement fit initially obtained without saturation and where in which the required fit indices were arrived. But the scope of modification indices was available, the minimum threshold of 3 modification indices were done and required saturation model was obtained. The details of fit indices are shown below.

There were four modification indices applied under the constructs transaction cost, ready to accept and ready to buy. Under transaction cost modification indices applied between e7 and e8, for ready to buy between e10 and e11 and whereas under ready to buy it was applied between e18 to e21. The application of

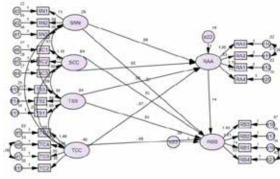
modification indices with items under the same construct (pair parameter removal) help the models measurement fit still more effective.

The improved measurement fit model has shown (refer Figure-3) improved fit in terms of its incremental aspects. The 'saturated measurement model drawn with four constructs namely task crafting, cognitive crafting, relationship crafting and job satisfaction along with modification indices (3 under task and one under cognitive) generated the model and achieved the minimum The model has generated absolute fit (GFI> 0.9 and RMSEA < 0.08), parsimonious fit (chi-square/Df<5) and incremental fit ((AGFI>0.9, NFI>0.9, RFI>0.9 and TLI>0.9)). The required fits are obtained (refer Table-7) and model also proven its saturation for improvement and based on that the structural equation and path goal model was employed for the fitted model.

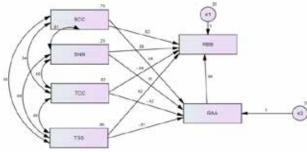
## **Structural Equation Model**

The structural Equation Model was constructed with four constructs as exogenous (subjective norms, security, trust and transaction cost) and ready to buy as endogenous. The purpose of structural equation model (refer Figure-4) is to verify the hypotheses of significant impact of subjective norms, security, trust and transaction cost on their ready to buy. It has attempted to see the direct effect as well as covariance effect (with in exogenous constructs). The following diagram and tables highlights the outcome of structural equation model.

#### Figure-4: Structural Equation Model



#### Figure-5: Path Goal Model



Source: Prepared by the author, computed data through AMOS

A Study on the Role of Digital Sources on the Buying Behaviour of Women with Reference to the South Region of India

## Path Goal Model

The path goal model was employed(refer Figure-5) in order to probe the hypothesis that significant impact exist due to the subjective norms, security, trust and transaction cost aspects on ready to buy and to know the existence of moderation role of gender. The overall summated value of items (3 items under subjective norms, 3 under security, 3 under trust, 4 under transaction cost, 4 under ready to accept and 4 under ready to buy) were aggregated and the path goal effect was tested.

#### **Table-6:** Structural Parameter Estimates

S.No.	Statement of Hypothesis		P value	Inference
I	There is an direct impact of usage security on ready to accept	RAA <scc< td=""><td>.140</td><td>Not Supported</td></scc<>	.140	Not Supported
2	There is an direct impact of subjective norms on ready to accept	RAA <snn< td=""><td>.007</td><td>Supported</td></snn<>	.007	Supported
3	There is an direct impact of transaction cost on ready to accept	RAA <tcc< td=""><td>.522</td><td>Not Supported</td></tcc<>	.522	Not Supported
4	There is an direct impact of trust on ready to accept	RAA <tss< td=""><td>.641</td><td>Not Supported</td></tss<>	.641	Not Supported
5	There is an direct impact of ready to accept on ready to buy	RBB <raa< td=""><td>.308</td><td>Not Supported</td></raa<>	.308	Not Supported
6	There is indirect impact of security on ready to buy	RBB <scc< td=""><td>.639</td><td>Not Supported</td></scc<>	.639	Not Supported
7	There is an indirect impact on subjective norms on ready to buy	RBB <snn< td=""><td>***</td><td>Supported</td></snn<>	***	Supported
8	There is an indirect impact on transaction cost on ready to buy	RBB <tcc< td=""><td>.183</td><td>Not Supported</td></tcc<>	.183	Not Supported
9	There is an indirect impact on trust on ready to buy	RBB <tss< td=""><td>.441</td><td>Not Supported</td></tss<>	.441	Not Supported

Source: Prepared by the author, computed data through AMOS

## **Conclusion and Implication**

Digital sources have become powerful marketing promotional tool in present day commercial scenario. The business entities use digital promotion as one among the promotional mix. The digital space management and presentation has become challenging task for marketers. Even though, the digital sources are considered for personal buying by consumers, still the security and trust aspects are yet to be penetrated in India. The women buyers due to their occupational reasons, changes in lifestyle prefer buy to on line sources, but at the same time, it is not ubiquitous for all product and service categories. The above study proven that while buy through digital sources subject norms are given due importance by women consumers both to accept digital sources and buy through the same. But at the same time the impact of security, trust and transaction cost are given least weight age while buy through on line or digital sources.

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# Buying Behaviour of Bicycle Customers in India: A Comparative Study of Hero Cycles

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and **B**-Twin

#### Abstract

The craze for foreign cycles is increasing day by day not only in India but all over the world. Bicycles are not just viewed as means of transportation, they are also viewed as symbols of wellness, fitness and sport. Indian bicycles are still lagging behind in terms of competing with foreign brands. With cycle of imported brands pouring in, Indian manufacturers find that their dealers are more inclined to deal with the foreign brands. The efforts of Research and Development (R&D) are slow in their pace and Indian brands are losing their sheen in the international markets. This paper presents a SWOT analysis, Porter Five Force analysis for two brands namely Hero and B-Twin and further about competition analysis in bicycle market. A sample of 131 cyclists is selected to solicit their opinion on select parameters in terms of which Indian brands are competing with the foreign brands and assess the customer satisfaction levels. The impact of the key parameters i.e., type of models, price, technology and after sales service on the sales of bicycles. is examined

The paper concludes with a note on how Indian brands can be more popularized drawing lessons from the foreign brands.

**Keywords:** Foreign Brands, B-Twin Cycles, Customer Satisfaction, Better Ecosystem

#### Introduction

Indian Bicycle industry is very large both in size and volume despite the fact that it is mostly unorganized with a very few companies focusing on process and

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automation. The size of the Indian bicycle industry stands at US 1.2 billion. The number of units (finished bicycle including all segments) produced is around 12 million. The market for the premium or the lifestyle bikes targeted towards the life style consumer is just about emerging. The definition of high end bikes itself is changing. Earlier the high end bikes were considered as those selling between Rs. 5000 to 8000. However now with global brands moving into the country this definition is also changing with the price points starting from Rs.15,000 to as high as a few lakhs! India has been producing almost 10% of total production bicycles all over the world and exporting around \$ 200 million worth cycles. Out of all the complete bicycles, around 13% is constituted by the kids segment with CAGR (compounded annual growth rate) of around 20%.

## **Bicycle Industry Profile**

Indian Bicycle Industry is very large with India producing almost 10% of total Bicycle production of the world and exporting around \$200 million of it. Out of the complete sales of bicycle, around 13% is constituted by the kids segment with CAGR (Compounded Annual Growth Rate) of around 20%. With many brands present in the bicycle industry, a new approach towards marketing is needed and also to penetrate competitive market cost competitiveness is required. The kids segment of bicycle is mostly unorganized with very few companies focusing on this quickly growing and lucrative section.

## **Profile of HERO Cycles**

Hero Cycles is a product of this philosophy. The philosophy that in stills commitment, team work and foresight. Hero's colossal journey started before independence. The four Munjal brothers, hailing from a small town called Kamalia, now in Pakistan, are the men who are behind the mission. Brotherhood apart, what knit the men together was the wealth of will, integrity, ambition & determination. In the year 1944, they decided to start a business of bicycle spare parts in Amritsar.

## **Profile of Decathlon**

Decathlon UK has launched in 1999 with our first store in Surrey Quays. Currently we have 37 stores around the UK, where you can get experts advice and have a seamless shopping experience. Globally, they present in 46 countries and they have the ambition to open more and more new countries in order to be present everywhere they are needed.

## **Review of Literature**

In a world so transformed by the automobile that whole landscapes and lifestyles bear its imprint, a significant fact goes unnoticed. While societies the world over define transportation in terms of engines power, the greatest share of personal transport needs is met by human power. From the 10-speeds of Boston to the black roadsters of Beijing, the world's 800 million bicycles out numbers the cars by two Buying Behaviour of Bicycle Customers in India: A Comparative Study of Hero Cycles and B-Twin

to one and each year bike production outpaces automobile manufacturing by three to one. Bicycles is Asia alone transport more people than do all of world's autos.

Thomas Blondian et al., (2016) observe that cycling not only improves the livability of cities, public health, air quality, or the CO2 balance, but it also creates "hard economic value and jobs". It is presented as a perfect tool for transition and mobility in the transport sector, providing a large number of assets, including jobs. But, this has not been focused by the public authority and as a result, the investment in cycling infrastructure and eco system is lacking. The authors explore here how best the ecosystem can be promoted in terms of bicycle tourism including accommodation and restaurants, bicycle infrastructure covering bicycle services, exclusive roads and infrastructure apart from manufacturing, wholesales and retail operations supported by repair and maintenance services. The study further finds that more than 650,000 jobs are linked to cycling today in the EU-27 and more than 400,000 new ones could be created in the future with a doubling of cycling modal share. These jobs can be more local jobs for lower skilled workers and more jobs per say euro of investment. The authors impress up on showcasing how cycling can be explored as a mode of transport that contributes to economic growth and social benefits.

Michael Gylling et al., (2015) report on offshoring and backshoring decisions of a Northern European bicycle manufacturing company. It is identified an over 30 percent cost advantage from offshore outsourcing that turned, over a two year period, into an advantage for the firm's own manufacturing in the home country. The contribution of this paper is the insight that it provides into how companies can overvalue the cost benefits of offshore outsourcing, as well as highlighting factors to be considered and the sensitivity analysis to be carried out in evaluating such decisions.

Davcik and Sharma (2016) point out that Marketing resources, performance, and competitive advantage are crucial drivers of a firm's business strategy as they help the firms gain a competitive advantage over competition (direct or latent) and lead to better performance. Marketing resources are recognized as crucial drivers in the process by which firms develop their competitive advantages and achieve higher levels of performance.

According to Alvaro Fernandez-Heredia, Andres Monzon, Sergio Jara-Diaz (2014), many variables that influence bicycle use beyond time and cost have been included in models of various types. However, psycho-social factors that make the bicycle eligible as a modal alternative have not been identified properly. These factors are related to intention, attitudes and perceptions, and their identification can contribute to obtain the keys for a successful bicycle policy. Here, an in-depth investigation of cyclists' perceptions is attempted using a large university survey designed and collected ad hoc, and then applying exploratory and confirmatory factor analyses.

After identifying fourteen factors, a structural equations model was estimated to find structure and relationships among variables and to understand users' intentions to use the bike. Four (latent) variables are identified, namely convenience, probike, physical determinants and exogenous restrictions. The main conclusion is that convenience (flexible, efficient) and exogenous restrictions (danger, vandalism, facilities) are the most important elements to understand the attitudes towards the bicycle.

Kaushik et al., (2016) focus on energy consumption and the ever narrowing rules of emissions by the governments that lead to a race to clean; green and less energy consuming manufacturing is going on throughout the world. The authors feel that rejection reduction can promote energy saving processes. Through a case study, the authors explain how the rejection rate of a part of cycle chain assembly is controlled by the application of Six Sigma and a financial gain of INR 0.267 million was yielded by implying six-sigma approach.

Michelle F. Hsieh (2015) examines the technological interdependence to understand technological change and learning in the context of Taiwan's quest for industrial upgrading and innovation. The decentralized industrialization in Taiwan gave rise to a system of production networks consisting of numerous smalland medium-enterprise parts makers and processing specialists who focused on intermediate input instead of final product. Taiwan's bicycle manufacturing industry demonstrates the breakthroughs accomplished at the intermediate level by parts makers in the system of decentralized production through SMEs. This paper outlines the process of technological change and diffusion through the adaptation and application processes of entrepreneurs and bicycle manufacturers in commercializing new technologies. It concludes that entrepreneurs and manufacturers should be open to learn about the black box of technological change and innovation.

**Research Gaps:** There are no specific studies covering the comparison of Indian and foreign brand cycles particularly on SWOT Analysis, Competitor Analysis and Porter's Five Force Model. Also there is little research i) to study the satisfaction level of consumers towards foreign bicycle brands against Indian bicycle brands ii) to analyze the association between a) price b) after sales service c) technology d) type of model. The present study covers this gap.

## **Research Methodology**

## **Research Problem**

India with a proven track record of globalization and increasing teaming population (31% of Indian population is between 5-19 years) has been looking for higher level of growth together with equitable distribution of income to improve the quality of life for its citizens. Obviously, this is going to impact on the bicycle industry in particular and transport segment in general. This means there will be increase in demand for higher and superior brands, for instance, the current bicycles users will be graduating to auto two wheelers, but, there will be a new set of customers looking forward to the bicycle as means of transport.

## Objectives of the Study

The project has four main objectives:

• To present a SWOT analysis, Competitor analysis & Porter's 5 Force Analysis for Indian bicycle market.

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- To study the satisfaction level of consumers towards foreign bicycle brands against Indian bicycle brands.
- To analyze the association between a) price b) after sales service c) technology d) type of model and the sales of the bicycle.

## Hypotheses

 $\rm H_{\rm ol}$  The model, price, technology, after-sales service have no impact on sales of the bicycles in India

## Sources of Data

Primary data was collected through questionnaire, personal observations and personal interviews. Secondary data was collected from the published sources such as research journals, magazines, industry reports, monographs etc.

## Sampling method: Random sample

Size of the sample -131 comprising the cycle-riders who use cycle as hobby and also as single mode of transport. from Hyderabad. 60 respondents were drawn from those who own and use Hero cycle and 51 respondents were drawn from the Decathlon store who own/use B-Twin Cycles.

## Tools for Analysis

Statistical tools Chi-square, SWOT Analysis, Competitive Analysis and Porter's Five Force Analysis.

## **SWOT** Analysis

## Decathlon(B-Twin)

## Strengths

- Stores located throughout the world with 800 stores all over
- B-Twin Group is largest sporting goods re-seller in domestic market
- Large variety of sports goods in affordable pricing for all classes of consumers
- Own private label brands to get high brand recall
- Strong and innovative marketing since years have created a strong brand retention in the minds of customers

## Weaknesses

- · Limited global presence as compared to leading global companies.
- E- retailing is gaining importance but still company has limited presence on the same.

## Opportunities

Brand building by tie-up with emerging clubs/teams/players

Company has opportunity to innovate on technology front to design new products. Creating high brand awareness by exploring advertising media tactically.

## Threats

• High inflation doesn't give opportunity of cost advantage in competitive environment

- High competition from global and domestic players.
- Threats from other brands who provide goods at lower price

## **HERO** Cycles

#### Strengths

- Rich experience and strong financial soundness.
- Hero brand is well accepted both in India as well as international market and one of the largest cycle manufacturers in the world.
- Compliance of significant policies, the company has a well-defined system of internal control throughout the organization.
- Regular training as per ISO requirement is being provide data levels. Cordial relations in the industry are being maintained in all units. Training at all levels has been a continuous process in the company.

#### Weakness

• Rising input cost i.e. Prices of sheets, strips, tires, tubes and other related chemicals are governed by external forces including its trend in international Market further as it is the product of necessity, it is not easy to increase to price on frequent intervals.

#### **Opportunities**

- · Ability to expand more in international markets.
- Expanding market demand in the lifestyle segment.

#### Threats

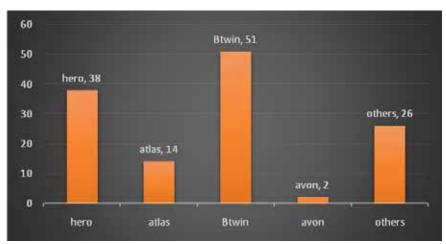
- A sluggish growth of between 4-6% annually
- Volatile steel prices and a new burden of 2% excise duty area deterrent to the growth of the cycle industry.
- Small manufacturers in the unorganized sector have set up their units which certainly pose a threat to the organized sector.
- Cheap import from china supplying cheap and substandard products in the market is also threatening our bicycle industry.
- Steel prices are changing on regular basis and there is a wide fluctuation in chemical industry and other metals including nickels, brass etc., which are governed by some external forces.

## **Competition Analysis**

Customers Own At Present	Total
Hero	38
Atlas	14
B-twin	51
Avon	2
Others	26

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#### Figure-I: Competition Analysis



From the above representation it showing that B-twin customers are higher.

## Hero Cycles

It was formed in 1956 and is now recognized as a leading brand in India. They possess IS0-9001, IS0-9002, BVQ1 certification and IS0-4001. Its enormous size can be inferred from its capacity to produce a cycle in every 9 seconds. They export products in 89 countries. They are energetically involved in make good customer relation and corporate social responsibility.

## Avon Cycles

It was formed in 1951 under the flag ship of Avon group. It is family business promoted by PAHWAS. They make almost every part of cycle. They are certified with IS09001-2000. They are recognized as export house by government of India.

In a highly competitive market conditions and low differentiation in the industry, cost leadership strategy is a key ingredient for competitive advantage. The main costs involved in the bicycle industry include the raw materials such as steel, tubes and other components that account for 60-70% of the total costs.

## Atlas Cycles

It is found that the Atlas Company is doing everything except good promotion. Its main target being rural India it is not giving fair attention to the urban market. It is found that the brand quality being in between good and very good the satisfaction from the promotional strategies was Luke warm and 57% of the people were not satisfied .it was also seen that the advertising field is not given much importance due to which the brand awareness in the people was not up to the mark.

## **B-Twin Cycles**

One of the features of B-TWIN that is relatively unique is the sheer range of products available. Road bikes, mountain bikes, hybrid and touring bikes, folding bikes, BMXs and children's bikes are all available, with clothing ranges designed to suit each of these specific markets. On top of the bikes and clothing ranges,

there is also a wide range of accessories, featuring everything from inner tubes and mudguards to cycling computers and home trainers. B-TWIN works with a range of technical partners to ensure the highest quality products, both at the top of the range and throughout it.

## **Porter's Five Force Model**

- Rivalry among existing competitors HIGH
  - High exit barriers.
  - High fixed cost.
  - Difficult for the company to show product differentiation.
- Threat of new entrants LOW
  - Capital intensive industry requires huge capital to enter in the market.
  - Cost of existing player is lower therefore a threat from new entrants is quite low.
  - Chinese bicycle manufacturers are entering into the domestic market therefore it is difficult for the new entrant to earn profit.
- Threat of substitute LOW
  - Consumers are highly aware about environmental problems; therefore they don't want to substitute other mode of transportation completely with bicycle.
  - Price of other modes of transportation is higher than a bicycle.
  - Now days consumer are health conscious and cycling is good for health therefore they are not trying to substitute it with another mode of Transportation.
- Bargaining power of consumers HIGH
  - Consumers are price sensitive and cost to the min switching from one product to other is less therefore their bargaining power is high.
- Bargaining power of supplier LOW
  - India is developing country therefore labour and raw materials are abundant.
  - No product differentiation.

## **Data Analysis and Interpretation**

 Table-1: The satisfaction level of consumers towards foreign bicycle brands as against

 Indian bicycle brands

S. No	Criteria	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Likert Scale value	Result
I	Are you satisfied with the bicycle which you have owned	50	63	16	I	I	4.221374046	Agree
2	Do the services offered by the foreign manufacturing companies are better than Indian companies	36	50	19	26	0	3.732824427	Agree

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S. No	Criteria	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Likert Scale value	Result
3	Do you find that technology in Indian bicycle brands are meeting the international brands	19	70	23	16	3	3.65648855	Agree
4	Will you encourage others to ride and use bicycle	72	39	17	0	3	4.351145038	Agree
5	How are the after sales service responses from the employees	24	100	0	6	I	4.06870229	Agree
6	After sale service given by Indian	47	41	41	2	0	4.015267176	Agree
7	After sale service given by foreign	60	36	32	I	2	4.152671756	Agree
8	Will you prefer Indian bicycle brands, if customized models are available	51	56	13	11	0	4.122137405	Agree
9	Will you recommend your friends to buy foreign bicycle brands	53	28	27	23	0	3.847328244	Agree

## Interpretation

Table-1 reveals that most of the consumers agreed that satisfaction levels are high towards foreign bicycle brands because of Technology, standards, services, etc., and they are willing to prefer foreign bicycle brands.

The mean is from 3.65648855 to 4.351145038. The highest mean suggests that the customers are ready to suggest the foreign brand cycles to others. The lowest mean suggests that the technology of Indian bicycles technology are not meeting the foreign bicycle brands to that extent.

 Table-2: Association Between Type of Models and the Sales of the Bicycle

 MODELS

BRAND\RANK	I	2	3	4	TOTAL
HERO	23	8	4	3	38
BTWIN	24	13	12	2	51
TOTAL	47	21	16	5	89

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	0	E	O-E	(O-E)2	(O-E)2/E
23		20.06741573	2.93258427	8.600050499	0.428557948
8		8.966292135	-0.966292135	0.93372049	0.104136746
4		6.831460674	-2.831460674	8.017169549	1.173565937
3		2.134831461	0.865168539	0.748516601	0.350620934
24		26.93258427	-2.93258427	8.600050499	0.319317686
13		12.03370787	0.966292135	0.93372049	0.077592086
12		9.168539326	2.831460674	8.017169549	0.874421679
2		2.865168539	-0.865168539	0.748516601	0.261246971
				SUM	3.589459987

DOF=3

LOS=0.5

TABULAR VALUE=0.352

Hence, the calculated value is greater than the tabulated value at 5% level of significance.

i.e., there is a impact on sales due to models.

Therefore H0 is rejected.(Accept H1:: 3.58>0.352).

#### Interpretation

By this test it is observed that models are having a huge impact on the sales. The effective models will help in the creation of wealth to an organization..

Table-3: Impact of Price on Sales of the Bicycle

PRICE

		-			
BRAND\RANK		2	3	4	TOTAL
HERO	9 18 7		4	38	
BTWIN	17	21	10	3	51
TOTAL	26	39	17	7	89
0	E	O-E	(O-E)2		(O-E)2/E
9	11.1011236	-2.101123596	4.414720364		0.3976823
18	16.65168539	1.348314607	1.817952279		0.109175272
7	7.258426966	-0.258426966	0.066784497		0.00920096
4	2.988764045	1.011235955	1.022598157		0.342147504
17	14.8988764	2.101123596	4.414720364		0.296312302
21	22.34831461	-1.348314607	1.817952279		0.081346281
10	9.741573034	0.258426966	0.066784497		0.006855617
3	4.011235955	-1.011235955	1.022598157		0.254933434
			SUM		1.49765367

DOF=3

LOS=0.5

TABULAR VALUE=0.352

Hence, the calculated value is greater than the tabulated value at 5% level of significance.

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i.e., there is a impact on sales due to PRICES. Therefore H0 is rejected.(Accept H1:: 1.497>0.352).

#### Interpretation

It is observed that change in a price may affect the change of sales.

Table-4: Association Between Technology and the Sales of the Bicycle
TECHNOLOGY

<b>BRAND\RANK</b>	I	2	3 4	TOTAL
HERO	16	9	I2 I	38
BTWIN	21	15	I4 I	51
TOTAL	37	24	26 2	. 89
0	E	O-E	(O-E)2	(O-E)2/E
16	15.79775281	0.202247191	0.040903926	0.002589224
9	10.24719101	-1.247191011	1.555485419	0.151796274
12	11.1011236	0.898876404	0.807978791	0.072783515
I	0.853932584	0.146067416	0.02133569	0.024985216
21	21.20224719	-0.202247191	0.040903926	0.001929226
15	13.75280899	1.247191011	1.555485419	0.113103106
14	14.8988764	-0.898876404	0.807978791	0.054230854
I	1.146067416	-0.146067416	0.02133569	0.018616435
			SUM	0.44003385 I

DOF=3

LOS=0.5

TABULAR VALUE=0.352

Hence, the calculated value is greater than the tabulated value at 5% level of significance.

i.e., there is a impact on sales due to TECHNOLOGY.

Therefore H0 is rejected.(Accept H1:: 0.440>0.352).

#### Interpretation

In this present era, it is well known that technology has evolved a lot. So most of the customers are looking for new innovations and technology in a bicycle. The technology has a huge impact on the sales of a bicycle.

## Table-5: Association Between Technology and the Sales of the Bicycle

SERVICES	

SERVICES					
BRAND\RANK		2	3	4	TOTAL
HERO	12	8	11	7	38
BTWIN	19	10	16	6	51
TOTAL	31	18	27	13	89
0	E	O-E	(O-E)2	(O-E)	2/E
12	13.23595506	-1.235955056	1.527584901	0.115	411762
8	7.685393258	0.314606742	0.098977402	0.012	878639
11	11.52808989	-0.528089888	0.278878929	0.024	191252

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0	E	O-E	(O-E)2	(O-E)2/E
7	5.550561798	1.449438202	2.100871102	0.37849702
19	17.76404494	1.235955056	1.527584901	0.085993078
10	10.31460674	-0.314606742	0.098977402	0.009595848
16	15.47191011	0.528089888	0.278878929	0.018024855
6	7.449438202	-1.449438202	2.100871102	0.282017388
			SUM	0.926609842

DOF=3

LOS=0.5

TABULAR VALUE=0.352

Hence, the calculated value is greater than the tabulated value at 5% level of significance.

i.e., there is a impact on sales due to AFTER SALE SERVICES. Therefore H0 is rejected.(Accept H1:: 0.926>0.352).

#### Interpretation

By this test it is depicting that most of the customers are preferring to have a after sale services. In this field only few companies are involved in giving the good services after the sales to their customers. So here it is clearly shown that after sales service will definitely help in increasing the sales.

## Findings, Conclusions and Recommendations

## Findings

- Models, prices, technology and after-sales service have a significant impact on sales of a bicycle. This implies that a) if company goes up with a new models and upgrading of features to the bicycles then definitely there will be a huge impact on sales. b) the prices should be economical c) companies have to focus up on improving and adapting to new technologies and also innovate new life styles in a bicycles. d) After-sales service builds loyalty, trust and also provides positive aspects to a company which will results in the sales of a bicycles significantly.
- Hero cycles are energetically involved in international markets but they are relatively lagging behind in brand building
- Indian Bicycle companies can improve their Brand image by tying up with emerging clubs/teams/players.
- Hero cycles has an ability to expand more in multi-national markets but they have to either set up exclusive stores or tie up with multi-brand stores throughout world.
- Out of all Indian bicycle companies, Hero Cycles has a sound financial position but it is not leveraging this to improve its access to world markets.
- Decathlon provides a wide variety of accessories for the bicycles which are technically superior.

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## Conclusion

b-twin (Decathlon Company) is in the form of organized sector with 800 worldwide good ambience stores exclusively owned by it. Cycles is one of the many products these stores provide along with the large collection of models with superior technology at one place. This way, companies like Hero cannot compete with the international brands unless they tie up with such retail giants. Hero should also consider initiating free sale service for the lifetime of the bicycle as it is available in foreign brands bicycle in decathlon (B-twin bicycles). It is time that the Indian bicycle manufacturers in general and Hero Cycles in particular should maintain good relationships with their clientele and also provide a play area for their customers in each store. The rejection rates should be reduced in the manufacturing process through use of contemporary tools such as Six Sigma which are extensively used abroad for cost cutting and registering more profits there from (Kaushik et al., (2016)).

## Recommendations

- Hero cycles should not only promote its cycles but also the activity of cycling in terms of sponsoring Cycle Marathons. They may consider cycling Marathons for 1000 KM, 750KM, 500 KM, 250KM, 100 KM or 50 KM or 25 KM for different age groups and profiles of cyclists to create awareness and promote the benefits of use of bicycle
- Cycle manufacturers should form into a powerful conglomerate and work with local governments to ensure and promote a ecosystem in terms of separate exclusive roads and safety of cyclists as observed by Thomas Blondian et al., (2016). This will not only create more local jobs for lower skilled persons but also contribute to economic growth and social benefits.
- It is time that the social organisations with active support from Government should popularize bicycling as a trigger to better health in terms of strengthening the endurance and stamina. Cycle manufactures in India in general and Hero Cycles in particular cannot afford to lose out in terms of promoting healthier and cost-effective means of transport.
- Indian Bicycle companies have to focus upon large variety of bicycle accessories. A Hero bicycle has to focus up on the models and then technology with respect to the price where it can be affordable by the middle class and upper middle class people. It may even collaborate with other manufacturers for design and development of new bicycle models. Once the range of designs improves, the imports can be reduced and the craze for foreign brands can be put under check.
- The main advertising is done on the television and the commercials are made with big stars, Social media also can be explored to the best advantage. For the conglomerate, the otherwise costly commercials may relatively be cost effective and capture value for money spent.

- · The standard of pricing should be improved.
- Indian market is a price sensitive market's the Bicycles should be at minimum price with maximum quality.
- If Indian Bicycle Companies can improve in Performance and brand image it will be the best in all the other competition brands.
- Companies have to focus up on the new and improved features on the bicycles in terms of stylish and trendy looks and a rage with the country.
- The opportunities for offshore outsourcing and backshoring can be explored as suggested by Michael Gylling et al., (2015).
- Another route to beat international competition is to absorb the process of technological change and diffusion through the adaptation and application processes. SMEs already participating in the production process should be trained more on the technological innovation as demonstrated by countries such as Taiwan {Michelle F. Hsieh (2015)}.

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## **Experiential Consumption: A Review**

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#### Abstract

Experiences related to consumption processes have gained importance with consumers looking for more than just the delivery of service or product. Some scholars have gone to the extent of calling this as the "experience economy" where consumers are more interested in the experiences of consumption than the mere utilitarian value of consumption. Experiential aspects of consumption and hedonic consumption though are not new in the literature and have been explored several decades ago. Studies related to role of symbolic consumption, totally experiential consumptions, and difference between material and experiential purchases have also underlined the importance of experiential consumption in the present times. The purpose of this paper, in addition to a comprehensive literature review of experiential consumption, is to examine how consumer's age can act as a moderator between experiential consumption and the resulting customer satisfaction. Many a times, consumers of different age segments are offered the same product/ service offering. This is likely to result in satisfaction for some, while no satisfaction or dissatisfaction for others. An understanding of the moderating effect of consumer's age will therefore help marketers determine the experience component in their offerings while targeting different age group consumers.

**Keywords:** Experiential Consumption, Hedonic Consumption, Experience Economy, Customer Satisfaction

## Introduction

Consumption is increasingly being recognized in terms of the experiential aspect of consumption. Even the consumption of conventional products is often seen in terms of consumption experience of the products. Pine & Gilmore (1999) have gone to the extent of coining the term "experience economy", and arguing that it is experiences that the customer is looking up to and not just delivery of service or a product.

In the literature of experiential consumption, Holbrook and Hirschman (1982) have probably laid the foundation for further studies through their seminal papers

on hedonic consumption and experiential aspects of consumption. They pointed out that subjective experience and consumer emotions were inherent in the process of consumption. Since then researchers have explored various aspects of consumption experience. Arnould & Price (1993) have brought further insights by studying service offerings that are totally experiential in nature (white water rafting). Other studies have explored the aspects of role of symbolic consumption in consumption experiences, difference between material purchases and experiential purchases, etc.

Various aspects of experiential consumption have been studied in the last three decades. Even recent studies have tried to expand on some aspects of experiential consumption (Lanier & Rader, 2015) or attempted to understand the evolution of consumer research on this facet (Chen & Madrigal, 2007). On the other hand, on the applications side Pine & Gilmore (1999) have tried to lay emphasis on the managerial implications of experiential consumption talked about in the emerging *Experience Economy*.

This literature review makes an attempt to throw light on the various aspects of experiential consumption studied in the last several years since Holbrook and Hirschman came up with their path breaking papers on the topic. The literature review adopts both the building-blocks method and the snow ball method to identify relevant papers for study. In the building-blocks method, with the help of keywords most relevant to the topic, important studies in the area were identified through subscribed online databases of the institute. Once major studies were identified, through the snow-ball method some more studies that had been referenced in these studies were identified. After finalizing the papers to be studied, the focus areas of these studies were explored.

The purpose of this paper, in addition to a comprehensive literature review of experiential consumption, is to examine how consumer's age can act as a moderator between experiential consumption and the resulting customer satisfaction. Many a times, consumers of different age segments are offered the same product / service offering. This is likely to result in satisfaction for some, while no satisfaction or dissatisfaction for others. An understanding of the moderating effect of consumer's age will therefore help marketers determine the experience component in their offerings while targeting different age group consumers.

## **Experiential Aspects of Consumption**

Consumer behaviour research has evolved over the years from the rational, utility maximizing view to not-rational, motivated behaviour view to the systematic information processing view. And then later, to include aspects other than cognition, like sensory pleasure, playfulness, etc. (Holbrook & Hirschman, 1982). This latter view point has been studied by Holbrook & Hirschman and called the experiential view.

Holbrook & Hirschman (1982) have compared and contrasted the more prevalent information processing view with the experiential view that they propose. In the experiential view emotions of the consumer are accounted for in terms of fantasies, daydreams, aesthetic enjoyment, etc. that they may pursue.

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Until then this aspect of consumer behaviour had rarely been studied. The authors differentiate the information processing model and the experiential model through a model diagram, which discusses the differences in both the models in terms of the environmental inputs that go into the consumer behaviour, the consumer inputs, the intervening response system, the output and the learning effects in both the models.

For example, products are differentiated as goods and services in the information processing model, as against entertainment and leisure in the experiential view. And thus while in the first view the products provide tangible benefits, the entertainment activities provide only symbolic benefits. When we discuss benefits as symbolic, Levy (1959) has provided an insight into sale of symbolic benefits. And he points out to the fact that if a manufacturer understands the fact that the consumers may be purchasing the particular product also because of some symbolic benefits, then the manufacturer, by including the symbolic benefit in its selling proposition can increase profits due to increased customer satisfaction.

Similarly on the aspect of environmental stimulus to the consumer, while the information processing view considers the stimulus to be mostly verbal, in the case of the experiential view the stimulus is seen as non-verbal. In terms of consumer inputs of resources, the information processing view sees the expenditure of money from the consumer as the input while the other view sees it as the time that the consumer invests. Further, the task definition in the information processing model is problem-solving, while in the experiential view it is mostly a hedonic response.

Holbrook & Hirschman (1982) further differentiate the two view points on the type of involvement as inputs from consumers. While in the information processing view the type of involvement would be cognitive responses from the left-brain, in the experiential view it would be emotional reaction from the right-brain. And thus individual differences would play a significant role in understanding the experiential view point. Similarly, the output consequence would differ in that the information processing view would have some utilitarian functions as the consequences, while the other view would have enjoyment, pleasure, fun, etc. as the consequences. The learning process would differ in that in the information processing model it would happen in the form of reinforcement, in the experiential model it would happen in the form of associations being built with the experiences.

The comparative models developed by Holbrook & Hirschman (1982) was the first instance of the two models being studied on various factors influencing consumer behaviour. This must have provided other researchers with a framework to take the study on experiential consumption further. The experiential view considers the psycho-temporal expenditure made by the consumer as compared to the monetary expenditure in the traditional view. In the case of experiences, the consumer makes a choice as to how much time to invest in a particular experience. As such the authors identify the experiential view to be working at a more subconscious level of the consumer. With the study of the individual responses of consumers in the experiential view, the study of influence of personality in consumer behaviour has increased.

As Pine & Gilmore (1999) have laid emphasis on the experiences in business, the investigation of emotions in consumer behaviour becomes important. This brings

forth the difficulties in the study of emotions and necessitates the development of better measures to capture hedonic responses and at the same time ensuring their reliability and validity. Also, it becomes imperative to take into account that purchase forms only one element of the consumption process and the overall consumption experience also needs to be captured.

As semiotics plays an important role in the interpretation of experiential consumption, Mick (1986) has studied the emergence of signs and symbols in consumer behaviour. It becomes very important for the marketer to understand the symbolism in the consumer's life. On the topic of consumer-object relationship, to understand the meaning consumers give to products and services in their life, Fournier (1991) points out to three underlying dimensions: objective versus symbolic meaning, shared meaning compared to personalized source of meaning, and level of emotional response whether high or low.

Lanier & Rader (2015) have proposed a framework to categorize consumption experiences on the dimensions of structural relations and whether the consequences are functional. The authors have emphasized that there is a tendency to categorize things as functional as such categorization is easy to account for, while there may be consumption experiences that may not be functional and yet need to be seen as they are. Thus according to this framework the consumption experiences get categorized into: liberatory, performance, adventure and stochastic. Anti-function is one aspect they have brought in through their framework to contribute to the explanation of consumption experiences. Anti-function is something that is inexplicable and unintended. Thus, something that is structured and is functional, is performance experiences; anti-structured and functional is liberatory; structured and anti-functional is stochastic experiences; and anti-structured and antifunctional is adventure experience.

#### Hedonic Consumption and Extraordinary Experiences

Hirschman & Holbrook (1982) define hedonic consumption as "those facets of consumer behaviour that relate to the multisensory, fantasy and emotive aspects of product usage experience." The authors, while discussing the differences between the traditional and hedonic view, emphasise the importance of the hedonic view in supplementing the traditional view explanations of consumer behaviour. To account for hedonic consumption the authors put forth four behavioural propositions related to mental constructs of consumers, product classes, product usage and individual differences of the consumers.

Consumption of many products involves emotional responses, these products may include even mundane products like cigarettes. Information in the case of hedonic consumption can include all the sensory inputs of taste, smell, touch, sight, and aural. The emotive responses in case of hedonic consumption may involve both psychological and physiological responses, and thus both the mind and body are affected. The linguistic limitations of consumer may not give an exact idea of the consumption experiences and thus it may be necessary to take the help of methods that measure the changes in the brain and the blood serum to capture consumer experiences.

Hedonic consumption is often related to creation of imagery of the experiences by the consumer. Some classes of products which were earlier not studied are now amenable to analysis. Performance of arts, movies, theme parks, adventure activities, etc. can now be studied by gauging the emotional responses of the consumers. It may be noted that though all products can be experienced hedonically, it is the above mentioned categories of products that are studied from the perspective of hedonic consumption. Thus the first construct, namely, mental construct underlines the importance of imagination in the consumption of hedonic products. The second construct of product classes differs in that the hedonic products are more emotionally involving and require more mental activity. And the benefits accruing from them are mostly symbolic. As to the third construct of product usage, hedonic products require more attention in their use. Finally, the fourth construct of individual differences of the consumer, points to the fact that in hedonic consumption consumers can have different experiences depending upon, say, there cultural background, etc. For example, those who go to operas and those who go to theatres may differ in their affluence level.

Arnould & Price (1993) study consumer behaviour in the context of extraordinary experiences. Extraordinary experiences being those experiences that are uncommon and infrequent, as opposed to ordinary experiences that are common and frequent (Bhattacharjee & Mogilner, 2014). Extraordinary experiences provide an extreme case for studying consumer emotions in the experience, as such experiences are likely to elicit strong responses from the consumers. The authors using the example of white river rafting bring forth the fact that in such products the relationship between customer's expectations and satisfaction is very complex. For in such experiences the satisfaction is not a result of an absence of deviation from the expected outcome, but rather even an unexpected outcome may provide satisfaction to the consumer. Thus in this case the consumer satisfaction does not depend on the factors that are important in the case of traditional consumption.

The authors point out to the fact that consumers seeking extraordinary experiences are looking for intense emotional outcomes. Thus even if the service didn't go in the way it may have been planned, but resulted in the consumer getting emotional outcomes, the service delivery can be said to be successful. Often it is the unexpected outcomes that provide the best experiences for the consumers. The other dilemma in delivery of extraordinary experiences is the fact that the service provider has to forget the fact that he is selling the service. For most authentic experiences it becomes necessary for the service provider to become one with the consumers and genuinely interested in their getting a good experience. The authors have found out that such experiences are very high on emotional expenditure and post the experience the consumers are less willing to try articulating their experience, as the experience becomes something sacred which they believe would get contaminated by discussing. It has also been found that customers in such cases are active participants in the service delivery and as such they are not only receivers of meanings conveyed by the service providers but also makers of meaning who transform the meaning of experiences for themselves (Fernandez & Lastovicka, 2011).

Hedonic consumption because of it not being very amenable to traditional

research studies has been studied less. Various authors have tried to explore some aspects of hedonic consumption. Thus as we saw the case of extraordinary experiences being studied (Arnould & Price, 1993), play as a consumption experience has also been studied (Holbrook, Chestnut, Oliva, & Greenleaf, 1984)., where the authors have studied the role of interrelated factors of emotions and pleasure in the consumption of games as an experience. The authors contend that the factor of individual differences plays an important role in the enjoyment of games as an experience.

#### **Material Versus Experiential Purchases**

There have been a few studies that have also tried to distinguish between consumption experiences that result out of purchase of material products and that which result because of purchase of experiences. There have been studies that have explored the meaning of possessions, meaning material purchases, in the life of a consumer (Richins, 1994). It has been generally pointed out that experiential purchases are more satisfying than material purchases. This is in line with the proposition that the time of an experience economy has come, and what the consumers are looking for is not a product or service but the experiences (Pine & Gilmore, 1999). The authors have emphasised on the fact that the same product, say, a cup of coffee, can command different prices when clubbed together with certain experiences being delivered along with the product. And the recommendation they have for managers is that not to fight a price war at the lower rungs of delivering the product cheap but to add value to the product in terms of the experiences that the consumers seek, and then charge a premium price that the consumers are willing to pay.

In the same vein Pine & Gilmore (1999) have talked about mass customization in terms of customizing products with specific experiences for individual customers. To drive home their point they advise selling "verbs", that is experiences, rather than "nouns", which are mere products. They have also pointed to the fact as to how the internet acts as a source of commodification by removing all human experiential aspects in a purchase. They are of the opinion that only those internet businesses may prevail which find out ways of bringing an experience element in their business.

Nicolao, Irwin, & Goodman (2009) in their paper *Happiness for Sale*, which is based on dissertation of the first author, have again tried to study the suggestion of previous studies that expenditure on purchase of experiences makes consumers more happy than expenditure on purchase of material things. The authors have opined that such a suggestion may be misleading in its general form. They contend that the purchases made by consumers that turned out to be positive would in general provide happiness with the experience. On the other hand if a purchase turned out negative, these experiences may not be better in terms of bringing happiness to consumers compared to purchase of material products. They point out that consumers tend to adapt more slowly to purchase of experiences as compared to purchase of material purchase tends to be longer. They also suggest that material and experiential purchase lie on

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a continuum, and for different consumers the purchase of the same thing may lie at a different point on the continuum. Thus affecting the happiness received with the particular purchase. They quote Frederick and Loewenstein (1999) examples to indicate how a person may adapt very slowly to, say, the experience of plastic surgery or that of a loss in the family as compared to, say, the material gain in one's income.

Taking the findings of the study further, Bhattacharjee & Mogilner (2014) study the different types of experiences. They categorize experiences as: ordinary, which are common and frequent; and extraordinary, experiences that are uncommon and infrequent. The authors study the experiences resulting out of consumption of ordinary and extraordinary experiences. While it may seem evident that experiences related to extraordinary ones, like white water rafting, etc. may bring more happiness, the authors contend that there may be other factors that may be moderating the effect of these experiences. The authors take the example of young and old people and point out that while for the category of young people the extraordinary experiences are likely to bring more happiness, for the older category of people ordinary experiences may bring similar happiness. They also examine the tendency of self-definition through experiential consumption. While extraordinary experiences definitely contribute in the self-definition of a consumer, it is contended that while young category of people may create their self-definition using these experiences, the older category of people tend to create their self-definition using the small day to day ordinary experiences. Thus it becomes important for a marketer to realize that not every consumer may seek to make their consumption experience extraordinary.

Psychological studies have pointed out that experiential purchases are easier to make compared to material purchases (Carter & Gilovich, 2010). While consumer behaviour studies have established to some extent that experiential purchases brought more happiness compared to material purchase, the authors in this study go behind the psychology of the purchases and analyse why experiential purchases result generally in more happiness. The authors found out that experiential purchases, and resulting in less dissonance post purchase.

The authors have put forward few points of difference compared to material purchases. For example, a customer may ruminate over the unchosen options in the case of material purchases, and which may result in dissonance. Experiential purchases are considered unique and hence comparisons with experiences not purchased are not done often. While in the purchase of material products the intention of the consumer is to maximize most of the times, in the case of experiential purchases it is mostly to satisfice. The comparisons in the case of material purchases undermines the satisfaction with the purchase done, while in the case of experiential purchases the tendency to categorize it as a unique experience increases the satisfaction with purchase.

Another psychological study (Carter & Gilovich, 2012) underlines the importance of experiential purchases in the creation of self, compared to material purchases. Though possessions are also considered as an extension of the self, experiences because of their closer association with the self, are considered by

consumers to be more self-defining. The authors highlighting the role of memory in the definition of self, contend that as experiences are likely to generate more memories therefore playing more significant role in the creation of self and thus more sought by consumers. An insight for marketers from this is that to understand the consumer's true self it may be more appropriate to find out their experiential purchases.

While Holbrook & Hirschman (1982) differentiated the traditional information processing approach in consumer behaviour and the experiential approach, Novak & Hoffman (2009) contend that any of the two approaches could get activated in the consumer's mind depending upon the situation. Thus some situations that were conducive to the information processing thinking style may make the consumer to approach consumption in such manner, while situations amenable to experiential model may make the consumers appreciate the consumption experience more in terms of emotions. Authors point out to various other studies that support the view of situation dependent thinking styles adopted by consumers.

## **Other Dimensions in Experiential Consumption**

Chronis (2005) in his study on the consumption of the past in the form of heritage, contends that there are several reasons behind people's experiential consumption of the historical past. These range from escaping in the past, identification of the self with the culture, appreciation of the aesthetics to a curiosity to know the narrative behind the heritage. The study thus finds out the probable reasons behind such kind of experiential consumption and have managerial implications for managing the servicescape of the experience.

McIntyre (2007) studies the meaning behind consumption that people do as tourists. The study explores the situational influences and the cultural setting effects on the tourist consumer. A tourist has a different state of mind as compared to the everyday experiencer. It is compared with the analogy of somebody bathing in the experiences rather than consuming it. Consumers in different life cycle stages are likely to be motivated by different goals towards touring experiences. Thus the author points out that while a young tourist may be motivated by learning through excitement of touring, a mature empty nester stage tourist may look forward to cultural immersion to find meaning of life.

Another study examines why consumers indulge in seemingly non-functional experiential consumption (Keinan & Kivetz, 2011). The authors contend that consumers are productivity oriented when they indulge in experiential consumption. They state that consumers are motivated by the desire to have an "experiential CV", that is, consumers wish to make experiential purchases for collecting experiences with them. This in some way adds to their sense of accomplishment. The authors compare this collecting of experiences with the collection of physical objects.

Experiential consumption may also be motivated by desire of the consumers to accrue consumption knowledge which may lead them to appreciate future consumption experiences in a better manner (Clarkson, Janiszewski, & Cinelli, 2012). While a novice consumer may wish to broaden their consumption knowledge in a product category, an experienced consumer may want to deepen their consumption knowledge of the product category. Ulver & Ostberg (2014) suggest that experiential consumption is often motivated by the desire to become someone, in a manner of creating one's self concept. Meng (2004) in a similar vein contends that people indulge in consumption for enhancement of the self. This may provide them with a confidence booster at times when they may have lowered self-esteem.

# Consumer's Age as A Moderator Between Experiential Consumption and Satisfaction

This paper has examined various aspects of experiential consumption, and this section explores the role of consumer's age in the consumption process and resulting satisfaction. Bhattacharjee & Mogilner (2014) have studied different types of experiences and concluded how a particular type of experience may appeal more to a particular age group consumer.

If we consider consumption broadly, both material consumption and experiential consumption are likely to be affected by the consumer's age and bring different levels of satisfaction. If we consider material consumption, Lambert-Pandraud & Laurent (2010) have shown that in the case of older consumers, the propensity to switch brands is less as compared to younger consumers. The reason found behind such behaviour was that young consumers were more inclined to explore while the older consumers did not want to engage their mental faculties into such activities and were inclined towards familiar brands. One another aspect to varying consumption preferences is pointed out by Andreasen (1984). This study points out that consumption preferences may vary with change in life status of consumer. Thus, consumers in their older age are likely to indulge into stock taking of their possessions, and may become inclined towards reducing their material purchases altogether. For these consumers, a lifestyle of voluntary simplicity may help them in their pursuit of understanding the meaning of their life.

Similarly, when experiential consumption is considered, literature provides ample evidence towards varying motivations for consumption within different age groups. As Mogilner, Aaker, & Kamvar (2012) have discussed, the definition of happiness itself may change with increasing age. While younger consumers may be motivated towards consumption by the excitement and thrill it provides, older consumers may be motivated by experiences that provide calmness, and are familiar. Thus, older consumers may not be looking for the "wow" factor in their consumption experiences.

Keinan & Kivetz (2011) have discussed how younger consumers are likely to be productivity oriented and motivated by building up a repertoire of experiences. Older consumers, on other hand, seemingly find satisfaction in familiar experiences. Such difference in behaviour is attributed to different modes of processing information adopted by different age group people (Williams & Drolet, 2005). Information processing is affected by the temporal aspect of consumers. Thus while young consumers who have an expansive sense of time, may be motivated in a particular way, the older consumers who may think their time is limited, would be motivated differently (Carstensen, 2006). Carstensen, Isaacowitz, & Charles (1999) contend that there are two social motives, if the temporal aspect is considered. The first motive being acquisition of knowledge and the other motive being regulation of emotion. Those consumers that have expansive temporal sense, indulge in knowledge acquisition consumption. While those consumers having a limited sense of the temporal aspect, indulge in regulation of emotion. Thus, if we consider older consumers, they are likely to look forward to regulation of emotions in their consumption experiences, as they consider they have limited time at their disposal.

## Conclusion

Reviewing the literature pertaining to experiential consumption brings forth the importance of experiential model in consumer behaviour studies. At the same time, Pine & Gilmore (1999) point out towards consumer's expectation of experiences even from mundane products. Various studies also corroborate the view point that consumers are often looking for more than just utilitarian benefits. However, Bhattacharjee & Mogilner (2014) caution against going all gung ho towards creating extraordinary experiences in all situations, considering varying motivations behind consumption in different age group consumers.

Also, as experiential consumption is not evaluated by consumers on cognitive lines, it becomes imperative for service providers of experiential products to manage consumer emotions in the consumption process. At the same time, development of reliable scales and their continuous refinement for measuring emotional responses accurately is paramount to understanding experiential consumption.

Finally, consumer's age can be seen as a most probable moderator in the consumption process and resulting satisfaction. This can have important implications for the marketer. For, with the shifting meaning of happiness, purchasing behaviour is very likely to be affected (Mogilner, Kamvar, & Aaker, 2010).

The difference in the underlying motivation for consumption, found in various studies, points out that age of the consumer has a role in the overall satisfaction with consumption. This aspect may be corroborated by further empirical studies in various cultural settings. As consumption is often related to the values and cultural aspects of the consumer, depending upon studies that have been done only in a particular cultural setting may not bring out the complete moderating effects of consumer age.

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## Information Acquisition Behaviour in Family Purchase Decisions: A Study of **FMCGs**

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#### Abstract

The first objective of this study is to determine the factors Influencing the information search behaviour of customers towards Fast Moving Consumer Goods (FMCGs). Further, the paper attempts to examine the importance of obtained factors in perception of customers. Based on the empirical investigation of 542 respondents across three selected areas (Amritsar, Jalandhar, Ludhiana) of Punjab; the study explored 7 factors i.e., Impersonal Advocate (IA), Impersonal Independent (II), Outright Purchase (OP), Personal Independent (PI), Personal Experience (PE), Personal Advocate (PA), Direct Observation (DO) out of 25 information search variables. Personal Independent information sources received highest level of agreement, which represents that in the perception of respondents Pl information source factor influences their information search to the maximum extent. All other factors except Outright Purchase, also received high level of agreement which depicts that respondents also agreed to consider these factors before buying. However outright purchase factor was not considered as a relevant factor with regard to buying of FMCGs. Study highlights the point that though FMCGs are less expensive and short live products, still customers are not in favor of outright purchase and consider personal sources more than any other sources when taking buying decision of FMCGs.

Keywords: Consumer Behaviour, Information Sources, Family Information Search Behaviour, Fast Moving Consumer Goods

#### Introduction

Consumer behavior has always been an area of greater interest for social researchers, witnessing an explosive growth over the past five decades (MacInnis and Folkes, 2009). There is nobody in the world that is left out from the class of consumers. The

consumer-hood continues till one's last breath in the world. Consumer behavior is defined as, "The process and activities that people engage in when searching for, selecting, purchasing, using, evaluating and disposing of products and services so as to satisfy their needs and desires" (Belch and Belch, 1993).

In consumer decision making, search for specific information related to a product or service is viewed as a critical aspect. Thorelli (1971) outlined the importance of information in consumer decision-making. The work of Thorelli and his colleagues i.e., information search behaviour, has been extensively studied by marketing scholars (e.g. Claxton et al., 1974; Newman, 1977; and Beatty & Smith, 1987 etc.). An enduring interest in studies related to consumer buying behavior is to understand how and from where consumers acquire information. To know the information search behavior of consumer is important at micro level for making marketing decisions and at macro level for making public policies (Srinivasan, 1990). Consumers do not collect information actively to make purchase decisions better for near term purchases only, but sometimes acquire information for future purchases too (Schmidi et al., 1996).

Information search has two phases, internal search and external search. Many scholars (e.g. Murray, 1991; Moorthy et al., 1997; Moore and Lehman, 1980) have distinguished between internal and external information search activities. While internal search refers to retrieving stored information that is available in memory (Hansen, 1972; Bettman, 1979; Lynch and Srull, 1982), the external search encompasses all other activities (e.g. acquisition of information from sources outside of memory, such as friends, relatives, magazines, and consumer reports etc.) through consumers obtain relevant information from the environment that is to be used in purchase decision (Berning and Jacoby, 1974; Moore and Lehmann, 1980, Mourali, 2001). To take any purchase decision, the consumer first scan in information in memory about the past purchase experience which includes the experiences in a product class and previous learning about the environment. The experience gives birth to the knowledge, which in turn leads to internal search in successive decision making (Murray, 1991). Hence, internal search is an important source of information for consumer. External information search i.e., to seek new information from the environment represents a motivated and conscious decision of the consumer (Moore and Lehman, 1980). Traditionally, external search has got much attention and generated productive research results (Newman, 1977).

Search behaviour can also be distinguished based on the temporal dimension i.e., information sought when there is a need of purchase or an independent search activity which is independent of a specific purchase need. Review of literature suggests that for both search processes / purposes almost same sources are used. In the purchase related search, the objective is to make a better purchase decision whereas, in the ongoing search, the main purpose is to construct a strong knowledge base for future use (Bloch et al., 1986).

A continuing interest reflected in information search literature is due to the importance of information sources for consumers. Consumers never use or perceive all information sources equally (Bruner, 1987). Some consumers prefer some sources (e.g., family, friends, salespersons, brochures etc.) more over other sources (e.g. newspaper, T.V. commercials, neighbors etc.) compared to others.

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Some researcher (e.g. Andresen, 1968; Murray, 1991; Mitra et al., 1999; Mortimer and Pressey, 2013 and Avdin et al., 2015 etc.) classified the information sources into five categories namely. Impersonal advocate, impersonal independent, personal advocate, personal independent, direct observation and later, an additional source i.e., past experience was also added in these categories. Impersonal advocate sources comprise of broadcast advertising (radio, television etc.) and print media (newspaper, magazine ads, etc.), while personal advocate sources contain information received from representatives of product seller e.g. salespersons etc. Personal independent sources include information collected from family, relatives and friends, while impersonal independent sources consist of facts gathered from popular articles, journals or bloggers etc. Direct observation includes samples and demonstration of product / service. Many other researchers (e.g. Furse et al., 1984; Dodd et al., 2005; Barber et al., 2009 etc.) suggested only two categories of the information sources, personal sources and impersonal sources. Personal sources include family, friends, experts, social networking sites and salespeople etc. and impersonal sources comprise of television, radio, newspaper, magazines and official websites etc. In contrast to this, Cox (1967 b) classified information sources into three categories namely consumer dominated, market dominated and neutral sources. While the market dominated sources e.g. advertising, promotional efforts, packaging are controlled by the marketer, the consumer dominated sources are the sources on which marketers have little or no control and inter personal informal communication is the major channel of these sources e.g. word of mouth (WOM). Interestingly, the neutral information sources i.e., newspapers, consumer reports, magazine articles etc. are controlled neither by the consumer nor by the marketers.

The Fast Moving Consumer Goods (FMCG) is popularly known as consumer packaged goods. These products are sold frequently and at a relatively low cost. These goods have a small shelf life, either as an effect of high demand or for the reason that the product diminishes rapidly (Vibhuti et al., 2014). Though the absolute profit made on FMCG products is relatively small, they generally sell in large quantities, so the cumulative profit on such products can be large (Deliya, 2012). Examples of FMCG generally include a wide range of frequently purchased consumer products such as toothpaste, soap, hair care products, shampoo, shaving creams, washing bars, detergents, oils, cosmetics, processed foods, soft drinks, packaged food products, beverages, candies, chocolates, jams and Over the Counter (OTC) products etc. It is the fourth largest sector in India, touching everybody's life every day. The size of FMCG industry jumped from USD 9 billion in 2000 to USD 49 billion in 2017 and is expected to be USD 103.7 billion by 2020. Over 2007-15, the sector posted a CAGR of 13 per cent in revenues which is predicted to be 20.6% in the period of 2016-20 (IBEF, 2018).

In this present study information sources have been tapped and analyzed to categorize for FMCGs.

### **Review of Literature**

#### Information Sources

Various studies have been carried out to determine the importance of sources for customers in different fields. Duncan and Olshavsky (1982) studied the information search behaviors of consumers by examining the sources of information like advertisements on / in television / radio / magazine / newspaper. It was found that consumers also collect information through their own social network like friends and family. Hekmat et al., (1999) studied preference for information sources for selecting dental services. Source preferences of consumers in selecting specialist versus generalist for dental care service were studied and significant difference was found between two groups. Study revealed that personal independent, personal advocate and impersonal advocate sources were used more for selection of specialist as compared to generalist, Whereas, impersonal independent sources were preferred more for selection of generalist. Soni (2004) studied information search sources in family buying of durables (refrigerator, television, car and two wheelers). The study revealed that most important information source for households was advertisements and for vehicles it was other users whereas, least important information source for all studied products was found to be opinion of neighbors. Chauhan et al., (2014) studied importance of information sources in domestic tourism in India and examined the impact of two demographics, age and gender on importance of information sources. The study found that personal information sources were preferred over impersonal sources. It was revealed that demographics had insignificant role in showing preference toward the information sources. Coromina and Camprubi (2016) through a sample of 594 respondents from Spain examined active (search engines, official website, and tourism blogs) and passive (recommendations, mass media, tourism fairs, travel agency) information sources used in tourism. Study revealed that search engines, official websites and recommendations from friends and relatives were the most frequently used information sources whereas, travel agencies and tourism fairs were used least for information search.

#### Information Search Behaviour

A number of studies have been carried out to study the information search behaviour of customers. Bennett and Mandell (1969) explored the pre-purchase information search behaviour of new car buyers. The study tried to investigate the information seeking behaviour by measuring usage of sources (consumer reports, dealer visit, expert opinion, friends opinion, reading brochures, discussion with spouse, auto show, advertisements, news articles and discussion with children). The study stressed that some forms of information seeking required more active search than others, so weighing of ten information sources was done to know the amount of effort each source called for. The results of this study suggested that amount of information search and number of pre-owned automobiles was not significantly related to each other. Further, study confirmed that consumers searched less information when they were considering same particular brand they purchased prior. Moreover, it was also confirmed that relation of sequential reinforced purchases of a brand was negative with amount of information search for same brand. At last study concluded that positively reinforced past choices decreased the amount of pre-purchase information search whereas, experience alone appeared not to have an effect on the pre-purchase search behaviour. Jacoby et al., (1977) assessed the type and the amount of information collected by consumers from the package of product to make the purchase decisions. The findings of this study revealed that out of all studied information dimensions; brand name and price were selected more frequently than others. Moreover, the study confirmed that when brand name and manufacturer name was available customer selected fewer information dimensions in comparison to non availability of brand and manufacturer name. Kiel and Layton (1981) examined sources of consumer information search to explore external search behavior. The study explored four factors namely retailer search, media search and deliberative, interpersonal search and time dimension which affected the buying behavior. Oreilly (1982) studied variations in information search behaviour of workers of country welfare agency. Study investigated the preference for extent of usage between more qualitative and more accessible information source. It was revealed that more significance was found for accessibility than quality. Tiong and Dolich (1983) compared information seeking behavior of university students from the U.S and Singapore for regularly purchased items. The difference of extent of information seeking behavior between respondents of the U.S and Singapore was found statistically significant for two products, batteries and hair-cut only, Respondents of Singapore showed higher interest in information search for batteries, whereas U.S.A respondents searched more for hair cut whereas, for shampoo no statistical difference for information search was observed between two countries. Singapore respondent ranked observation of family members as number one for batteries and shampoo, but, considered hair cut riskier, so friends and family members were marked as most important source of information. Respondents of both samples ranked all eight sources of information search almost similar for all the products. No major differences were found in importance of sources in information search behavior between two different countries. Usage of personal sources was most important and frequently used source of information in both countries and both samples did not found independent reviews as an important source of information for all three products. Moreover, seeking information at retail stores was also found to be statistically significant source of information in U.S and Singapore. Furse et al., (1984) replicated and extended previous research studies (Kiel and Layton, 1981 and Claxton et al., 1974) related to search strategies of car buyers in three ways; participation of others in decision making unit, analysis of consumer self reports and reports by sales personnel, to cross validate and synthesize previous research findings. The study was conducted in two stages, where stage one represented the extension of earlier findings using data generated from buyer and in second stage these finding were cross validated with the data generated from seller (sales personnel). In the first stage the study explored five factors namely dealer visits, out of store activity, other involvement, in store

activity and interpersonal search. Further, in second stage of the study responses given by sales personnel were analyzed and three factors were explored i.e., participation of others, in-store activities and out of store activities. In nutshell, this study replicated and extended previous research on patterns of consumer search and facilitated additional empirical evidence to support the presence of such patterns. Murray (1991) conducted an experimental study on 256 university students of Southwestern United States to investigate the information needs of service consumers. Study compared the information sources used, in pre purchase context, by consumers of services and consumers of goods. The study concluded that searching efforts of consumer regarding services were more painstaking compared to goods and customers rarely preferred outright purchase of services. Moreover, because of higher confidence level consumers preferred personal sources over impersonal and found personal independent sources more effective when buying services. It was found that consumers were less dependent on observation / trial but preferred internal sources in comparison to others when they had experience in the product category. Avery (1996) examined the consumer information search behaviour in a market for frequently purchased, non durable grocery items. It was found that grocery shoppers focused their information search efforts on identifying the best deals in the market. The study revealed that individual's involvement with grocery items was negatively related to information objectives and females were more likely to indulge in information search than men. McColl-Kennedy and Fetter (1999) developed a seven-item scale to examine consumer's external search activities. It was found that two-dimensions of search, sources of external information and the amount of efforts were supported for things directed services, but this dimensionality was not statistically supported in the case of people directed services. Dodd et al., (2005) studied the effects of experience and knowledge (subjective and objective) on usage of information sources to make a decision regarding wine purchase. Structural Equation Modeling revealed that the base of subjective and objective knowledge was usage experience. The study found that impersonal information sources i.e., wine guides advertising and reviews used in making purchase decision were found to be significantly related with objective and subjective knowledge and on the other hand self preferences were also found to be positively related to subjective knowledge. Whereas a negative relation found between subjective knowledge and personal sources namely, friends, sales personnel and acquaintances revealed that knowledgeable consumer relied lesser on others as sources of information and At the end study concluded that in both, the retail store and restaurant purchase situations, the relationship among three information sources (people, published material and self) and subjective knowledge was consistent but the pattern was not found to be similar for objective knowledge. For retail home usage, only published materials were found to be significant as an important information source whereas, for restaurant purchase situation interestingly it was found that more knowledgeable consumers relied less on their own experiences and more on less knowledgeable wine purchasers. Mortimer (2013) sought to investigate 400 UK customers to know their extent of search and usage of information sources for purchasing credence services. Study found a significant impact of friend's usage, a personal

independent source, on buying of credence services. Results finalized that personal independent sources are not used more for credence services than non credence services. Moreover similar results were found for impersonal advocate sources. It was found that impersonal independent sources and personal advocate sources were utilized more by credence service buyers than non credence service buyers. Aydin et al., (2015) studied the difference of information search behavior between experiential and material purchases and found that use of personal sources; including both personal independent sources (opinion of friends and family) and personal advocate sources (opinions of sales personnel) were considered most important when searching for experiential purchases but reliance on direct observation was preferred over personal sources for material purchases. Moreover study revealed that total amount of search was greater for experiential purchases in comparison to material purchases.

## Gap of the Study

The forging research review points to the fact that maximum studies related to information search behaviour have been conducted mostly in developed countries. Only few studies explored the information search behaviour of customers of an emerging country like India. As per the knowledge of author no study was found which studied the information search behaviour of Indian families for joint use FMCGs products. Hence, the present study has been designed to bridge these gaps in existing literature.

## **Objectives of the Study**

- To determine the factors influencing the information search behavior of customers towards Fast Moving Consumer Goods.
- To determine the importance of extracted factors for customers in information search of Fast Moving Consumer Goods.

## **Research Design and Measurement**

## Data Collection and Sample

In this study specific area research has been chosen to take the advantage of overcoming regional differences in geographic and natural environment. It also helps in lessen the inequalities in consumers' exposure to different promotional activities, price differentials and availability of numerous brands. The universe of the study consists of three districts i.e., Amritsar, Jalandhar and Ludhiana of Punjab state and covers the consumers of Fast Moving Consumer Goods Sector. These three districts Amritsar, Jalandhar, and Ludhiana are the representative of the three belts of Punjab that is, Majha, Doaba and Malwa respectively. These three districts comprise people from different demographic profiles. A non-random convenience sampling design was adopted to reach the representation of FMCGs buying consumers. To study the information search behavior of FMCGs buyers, only those families were approached, in which husband and / or wife,

grandparents and at least one eight or above eight years old child were living together during the period of data collection. One spouse, either husband or wife was selected as respondent because researchers (Szybillo, 1977; Engel et al., 1973; Davis, 1970, 71) have argued that to describe buying behavior on an aggregate basis the responses from either spouse are adequate. Moreover, we restricted the age of respondents to be minimum of thirty years, as report of Rapid Survey on Children (RSOC) 2013-14 by UNICEF noted that average age of marriage is 19.9 for female and 23.4 for males in Punjab. It was expected that to have a minimum eight years old child the approximate minimum age of the respondent may be thirty years. In this study, the age of children was confined to eight years and above, as the children of this age is mature enough and has been found to be active and independent shopper (McNeal, 1992), knowledgeable about brands and products (ward et al., 1977) and highly cognitive in consumption choices (Belk et al., 1982). It has been assumed that children in India do not have much purchasing power as compared to their western counterparts. Inspite of this, it cannot be denied that they influence markets through parents, as children are taken as the center of the universe in the Indian family system (Kaur and Singh, 2006). Children influence their parents' preferences and choice for joint consumption products (Chaudhary and Gupta, 2012).

Total 850 questionnaires were distributed to families with different demographic characteristics, out of this 576 were returned by the respondents of three districts of Punjab viz., Amritsar, Jalandhar and Ludhiana. Data was collected in time period of approximately five months i.e., February, 2018 to June, 2018. Out of 576 total 34 responses were found to be unusable due to being incomplete or filled by non respondents. So the analyses are based on 542 respondents. Table-1 presents the demographic profile of respondents.

#### Table-1: Demographic Profile of Respondents

Descriptives	Frequency	Valid Percent	Cumulative Percent
Total no. of Respondents	542	100	100
Gender			
Male	209	38.6	38.6
Female	333	61.4	100.0
City			
Amritsar	162	29.9	29.9
Jalandhar	152	28.0	57.9
Ludhiana	228	42.1	100.0
Age in years			
30-35	13	2.4	2.4
36-40	182	33.6	36.0
41-45	243	44.8	80.8
46-50	104	19.2	100
Number of Children			
1	155	28.6	28.6
2	308	56.8	85.4
3	76	14.0	99.4
4	3	.6	100.0

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Descriptives	Frequency	Valid Percent	Cumulative Percent
Education			
Matriculation	27	5.0	5.0
Higher Secondary	65	12.0	17.0
Graduation	190	35.1	52.0
Post Graduation	234	43.2	95.2
Ph.D.	26	4.8	100.0
Occupation			
Service	277	51.1	51.1
Agriculture	42	7.7	58.9
Business	72	13.3	72.1
Homemaker	151	27.9	100.0
Income			
<20000	17	3.1	3.1
21000-40000	109	20.1	23.2
41000-60000	277	51.1	74.4
>60000	139	25.6	100.0

Operationalization of Information Search

A well structured questionnaire was utilized to explore the information search behaviour of consumers of personal care products. The present study concentrates on the usage of information sources, and to asses these sources, 25 variables are used in form of statements (see Appendix) which were originally developed by Andreasen (1968) and further used and tested by many researchers (Murray, 1991; Mitra et al., 1999 and Mortimer, 2013 etc.). To achieve the first objective each of the twenty five items has been measured on five point Likert scale with '5' indicating 'strongly agree' (SA) and'1 'indicating' strongly disagree' (SD). Exploratory Factor Analysis is used to factorize the 25 variables. EFA provides the factors and variance explained gives weightage of a factor in terms of percentage of all, which tells us which factor is strongest. Further, to fulfill the second objective i.e., to determine the importance of extracted factors for customers in information search of Fast Moving Consumer Goods, the level of agreement of customers on the factors obtained was studied.

#### Results

To check the reliability of scale Cronbach's Alpha test has been applied which was found to be .809 and it confirms the scale reliability. Further, Exploratory Factor analysis (EFA) with Varimax rotation is applied to find out the underlying associations among the 25 search variables of information sources. SPSS program was used to factorize the data. For the justification of factor analysis, Keiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test Sphericity are applied (Table-2). To estimate causal factors Principal component analysis and component matrix are applied and Seven factors emerged with Eigen values greater than 1(Table-3).

#### Information Acquisition Behaviour in Family Purchase Decisions: A Study of FMCGs

Table-2: KMO and Bart	lett's Test
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Kaiser-Meyer-Olkin Measu	.788	
Bartlett's Test of Sphericity	Approx. Chi-Square	7280.634
	Df	300
	Sig.	.000

Table-2 presents KMO value i.e., .788 and it is more than 0.6 which signifies that data are adequate for applying factor analysis and moreover the result of Bartlett Test (p<.05) confirms the relationship among variables used in this study for factor analysis.

Table-3: Total Variance Explained

Com-	Initial Eigenvalues		Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings			
ponent	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.472	21.888	21.888	5.472	21.888	21.888	3.275	13.102	13.102
2	3.370	13.480	35.368	3.370	13.480	35.368	3.206	12.823	25.924
3	2.708	10.832	46.200	2.708	10.832	46.200	2.677	10.710	36.634
4	2.044	8.178	54.378	2.044	8.178	54.378	2.493	9.973	46.607
5	1.745	6.982	61.359	1.745	6.982	61.359	2.371	9.483	56.090
6	1.631	6.524	67.883	1.631	6.524	67.883	2.294	9.174	65.264
7	1.248	4.990	72.874	1.248	4.990	72.874	1.902	7.610	72.874

Extraction Method: Principal Component Analysis.

Table-3 presents result of principal component analysis and shows only those seven factors which have Eigen value more than 1. These seven factors accounted for 72.874% of the total variance in information search behavior of consumers. This percentage of variance is acceptable, as according to Hair et al., 2005; in social sciences 60% of variance is satisfactory.

#### Table-4: Rotated Component Matrix

				Component			
Variables	I	2	3	4	5	6	7
		(Impersonal		(Personal	(Personal	(Personal	(Direct
	Advocate)	Independent)	Purchase)	Independent)	Experience)	Advocate)	Observation)
Magazine ads	.743						
Radio commercials	.781						
Newspaper ads	.857						
T.V Commercials	.767						
Point of Purchase Information	.635						
Descriptive studies of product		.550					
Consumer Reports		.804					
Magazine article		.768					
Report of product specialists		.813					
Previous customer say		.753					

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				Component			
Variables	I	2	3	4	5	6	7
		(Impersonal		(Personal	(Personal	(Personal	(Direct
Opinion of salesperson	Advocate)	independent)	Furchase)	Independent)	Experience)	.871	Observation
Opinion of managers/ owner						.871	
Opinion of Employees						.765	
Opinion of family				.677			
Opinion of friends				.860			
Remind alternatives friends use				.822			
Ask for demo of product							.859
Ask for sample of product							.880
First-hand experience							.525
Previous involvement					.864		
Past experience					.911		
Recall relevant events					.788		
No additional information			.881				
Purchase first alternative			.875				
Ready to select without information			.890				

Table-4 illustrates the factors which have been identified in this study and appropriate names are assigned based on the nature of the variables falling under a particular factor and according to prior literature. The first factor has been named as Impersonal Advocates (IA) as it combines the information sources of mass media advertising (e.g. magazine ads, TV ads, newspaper ads, radio commercials and point of purchase display etc.). This factor explains the highest percentage of variance which is 13.10 percent. The second factor has been recognized as Impersonal Independent (II) which includes magazine articles, consumer reports, opinion of previous buyers, review of critics, and product specialists etc and explains 12.82 percent of total variance. The third factor which explains 10.71 percent of total variance has been termed as outright purchase (OP) which includes customer's little concern towards information search. The fourth factor explaining 9.97 percent of total variance has been called as Personal Independent (PI) which includes the opinions of family and friends. The fifth factor has been named as Personal experience (PE) which comprises the buyer's personal experience and involvement with the product. This fifth factor explains 9.48 percent of total variance. Further, the sixth factor has been termed as Personal Advocates (PA) which explains 9.17 percent of total variance and comprises the information sources like opinion of sales personnel, opinion of employees of that firm offering the product for e.g. delivery person and receptionist etc. The seventh factor has been titled as Direct Observation (DO) which includes asking for product trial, demonstration and samples etc. and it explains 7.61 percent of total variance.

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	N	Minimum	Maximum	Mean	Std. Deviation
fac4 (PI)	542	1.33	5.00	3.8850	.84620
fac7 (DO)	542	1.00	5.00	3.6980	.76133
fac5 (PE)	542	1.00	5.00	3.6876	.79300
fac6 (PA)	542	1.00	5.00	3.3395	.83807
fac2 (II)	542	1.50	5.00	3.2458	.75368
fac I (IA)	542	1.50	5.00	3.2458	.75368
fac3 (OP)	542	1.00	5.00	2.1242	.93743
Valid N	542				

Table-5 depicts that factor four i.e., Personal Independent has achieved maximum mean score i.e., 3.8850, it reveals that the level of agreement of respondents was highest for personal independent factor (PI). Further, high and positive level of agreement (mean score>3) was observed for all other sources i.e., factor seven which is Direct observation (mean score 3.6980), factor five named Personal experience (mean score 3.6876), factor six called Personal Advocate (mean score 3.3395), factor two named Impersonal Independent (mean score 3.2458), and factor one called Impersonal Advocate (mean score 3.2458). Factor three named Outright Purchase received low mean score i.e., 2.1242, which suggests that respondents disagreed on buying fast moving consumer goods without making any search efforts.

## **Discussion and Conclusions**

The first objective of the study i.e., to determine the factors of information search in buying of Fast Moving Consumer Goods has been achieved by employing Exploratory Factor Analysis. Table-3 and 4 present the results of the same. The results of EFA show that out of twenty five variables, seven factors have been extracted and Impersonal Advocate (IA) was found to be the strongest factor followed by Impersonal Independent (II), Outright Purchase (OP), Personal Independent (PI), Personal Experience (PE), Personal Advocate (PA) and Direct Observation (DO). The naming of the factors is based on the nature of variables gathered under a factor and literature review. Further, the second objective of the study i.e., to determine the importance of the obtained factors in perception of customers has been accomplished by checking the mean score of each obtained factor through Descriptive Analysis. Interestingly, the study found that personal sources (both Independent and Advocates) and Direct observation have achieved higher level of mean scores in compare to impersonal (both independent and Advocates) and Outright Purchase. Higher levels of agreement on these information sources (Personal and own observation) as per the perception of customers indicates that Personal Information Sources and customer's Own Observations are more considered factors by customers than Impersonal Sources, which supports the view of many earlier studies (eg. Tiong and Dolich (1983), Hekmat et al., (1999), Aydin et al., (2015) etc.) In Indian context Soni (2004) suggested that in family buying decision of durable goods customers considered advertising (Impersonal Advocate source) as a most important source of information and the present study suggests that in family buying decision of non-durable (Fast moving consumer goods) items, personal independent sources i.e., opinion of family, friends and relatives are considered most. Moreover though Fast Moving Customer Goods are less expensive and short lived (which are called non-durable goods), still mean score of outright Purchase factor is found to be low, which reveals that customers were not agreeing much on buying fast moving consumer goods, without making any information search. This finding contrast with the study of East (1997), which suggested that in purchase of non durable items, consumer rarely search for any information, as these products are low involvement product and choice of the product is the outcome of a habitual behaviour.

## **Managerial Implications**

This study identifies an area of interest and relevance for marketers. Consumer information search behavior is an important issue for managerial decisions. When introducing or promoting a product it is essential for marketers to know the significance and level of influence of the information sources on customers. Classification of information sources gives an insight to marketers to understand the information search behaviour of customers, which further helps in understand their buying behaviour. This study suggests that it is important to target not only the customers but also the customer's referent especially Personal Independents i.e., family and friends etc. WOM is found to be a highly ubiquitous source of information, so managers are suggested to motivate their present buyers by the provision of incentives for referral of their product to new customers.

# Limitations of the Study and Suggestions for Future Research

As the study is based on survey method and responses are gauged through self reports of either spouse, the chances of personal bias cannot be ruled out. Moreover, the results might be dissimilar in case of observational methods are used to study buying behaviour of customers for personal care products. For future research the study suggests using much wider sample size. The information search behaviour has been studied only by taking responses from either spouse; children's point of view has not been taken from them directly to study their information search patterns in this study. So in future studies the difference in perception of parents and children can also be studied.

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#### Weblinks

http://wcd.nic.in/acts/rapid-survey-children-rsoc-2013-14 https://www.ibef.org

## APPENDIX

25 Items Tapping Information Sources Used In Buying of FMCGs

	11 0 7 0					
S.No	Statements	SA	Α	NAND	D	SD
I	I pay attention to magazine ads about the product before buying	5	4	3	2	Ι
2	I pay attention to radio commercials for the product or service	5	4	3	2	Ι
3	I pay attention to newspaper ads about the product before buying	5	4	3	2	Ι
4	I pay attention to TV commercials about the product before buying	5	4	3	2	Ι

5	l read available information such as printed brochure, pamphlet, point-of-purchase display, or other information provided by the seller	5	4	3	2	I
6	I see a written description of the product or service or study a detailed descriptive analysis of the product or service	5	4	3	2	I
7	I check some type of printed consumer information source for objective product ratings, i.e., Consumer Reports	5	4	3	2	I
8	I consider what a magazine article may say about the product	5	4	3	2	Ι
9	I read a report written by a knowledgeable third party, such as a critic, authority in the field, or product specialist	5	4	3	2	I
10	l pay attention to what previous customers had to say about the product	5	4	3	2	Ι
П	l ask the opinion of the salesperson	5	4	3	2	1
12	l ask the opinion of the owner or manager of the store, office, or retail outlet	5	4	3	2	I
13	I ask the opinion of an employee of the firm offering the product such as a receptionist, delivery person, etc.	5	4	3	2	Ι
14	l ask member of my family or a relative for their opinion	5	4	3	2	Ι
15	I ask the opinion of a friend or someone I know	5	4	3	2	I
16	l try to remember what alterative my friends use	5	4	3	2	I
17	I ask for a demonstration of the product	5	4	3	2	1
18	I ask to try the sample of product before purchasing	5	4	3	2	I
19	l try to experience first-hand all l could about the product or service.	5	4	3	2	Ι
20	l think about my previous involvement with this type of product	5	4	3	2	I
21	l rely on past personal experience	5	4	3	2	1
22	I try to recall relevant events which I can associate with this product or service	5	4	3	2	Ι
23	l simply go ahead and make a selection of the product or service without additional information or further pre-purchase deliberation	5	4	3	2	I
24	I buy the first purchase alternative I found	5	4	3	2	Ι
25	I be ready to make a purchase selection and do not worry about acquiring more information prior to buying	5	4	3	2	Ι

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# Sharing Self-Portrait and Correlates of Personality

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#### Abstract

The social media enabled by web 2.0 has transformed the way people communicate and interact with each other. The key aspect of social media is user generated content which users produce and share in networks. The location of information sharing, forging connections and developing community has shifted to social networking sites (SNS). It is social media where impression making projects are executed. Users present themselves in photo forms on social networks. In this background, the paper conceived of selfie / self-portrait posting as an impression making behavior and sought to explore whether it is related with personality characteristics namely self-esteem, locus of control and narcissism.

**Keywords:** Social Networking Sites, Selfie posting, Self-Esteem, Locus of Control, Narcissism

#### Introduction

New technologies allow interactions that are radically different (Hansen et al., 2011). The versatility of social media platforms permits sharing of texts, audio and audiovisual content (Harris, 2009). It is here that all the social action happens as they provide opportunity to contact new people, socialize and keep touch with friends (Brandtzæg and Heim, 2009). SNSs provide platform to individuals to present themselves, relate, bond and group with others. The commonness pulls physically separated people into a virtual confluence where they share experiences, create supportive relationships, belong and enjoy a shared identity (Waterson, 2006).

SNSs are sites of value laden exchanges including information, connections and relationships (Lin and Lu, 2011), identity construction and signification and simply passing time and relaxation (Mehdizadeh, 2010; Nadkarni and Hoffman, 2012). SNSs help in self-expression, exchanging information, relaxation and enjoyment

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(Kim et al., 2011). They satisfy need to belong and need for expression (Nadkarni and Hoffman, 2012). Adolescents use self-disclosures as means to develop and clarify their sense of self and forge intimate relationships (Buhrmester and Prager, 1995).

## **Self-Presentation**

Exchange is the hall mark in social networking which is actualized by different kinds of flows including that of ideas, images, goods and money. How one is perceived by others is important in interpersonal relationships. Therefore, self- presentation is an important tool in impression management in social interactions (Goffman, 1959). Like any other activity, self-revelation is also goal directed and interactions on social media are guided by expectations of rewards which, often, are social in nature (Emerson, 1987). Kaplan and Hienlein (2010) found that people aim to create impressions to win favors or create image consistent with their identity by making self-disclosures. To this end, users on the social networking sites make depictions with different degrees of accuracy and employ versatile approaches to negotiate concerns about authenticity (Marwick, 2005). Compared to direct face to face interactions, social media endows superior control and freedom in what is presented to public (Ellison et al., 2006). Users of social media post and share a variety of pictures including personal profiles to project desired image to others (Amichai-Hamberger and Vintzky, 2010). Selfies/Self-portraits are posted in millions on social media sites by people for not only expressing thoughts, feelings and ideas as self-expression but also to influence how others see those (Qiu et al., 2015). People flood social media sites with pictures and it touched an astounding 880 billion photos in 2014 (Zigterman, 2013; Brandt, 2014). About two thirds of women in age group of 16-35 post selfies (McHugh, 2013).

Self-presentation and impression making are closely linked. It is important for many people to know how they are perceived and evaluated by others. It determines how they are treated (Leary and Kowalski, 1990). Impression making by self-presentation could be purposeful or unconscious and depends on audience. Huge sums of money are spent on cosmetic surgery, body building, diet control, apparel and accessories to create the right impressions. Photos are encoded messages and carry important information on social media (Kapidzic, 2013). Selfies are versatile compared to other photos for they allow control over variations in face, emotions and camera position (Qiu et al., 2015). Unlike other photographs, these are self-clicked pictures taken alone or with others and shared on social media (Sorokowaski et al., 2015). The concern for presenting the desired self-image is linked with stage managing the self- presentation on social media (Qiu et al., 2012) for self-promotion. The present paper conceived of selfie posting as an impression making behavior and explored whether it is related with certain personality characteristics.

## Personality Traits and Selfie Posting / Self Presentation

The personality and behavior relationship is an established stream of research in psychology. Studies have sought to explore this connection in a wide variety of areas like pro-social and aggression (Xie et al., 2002), delinquency (Akse et al.,

2007), heavy drinking (Zhang et al., 2015), behavioral intentions (Forrester et al., 2016) and job performance (Thompson, 2005). The phenomenal rise of social media has attracted research in understanding individual differences and social media behavior (Sorokowski et al., 2015). Researchers have explored various facets of personality with different kinds of online behaviors. The frequency of posting photos and changing them on Facebook was found to be connected to level of extraversion (Gosling et al., 2011). Higher activity on social media by extraverted personality type makes sense for extraverted people who by definition enjoy company of others and like to be center of attraction (McCrae and Costa, 2003). Self-esteem is another facet of human personality that is likely to be connected with the need for impression making on social media by selfie posting (Nadkarni and Hoffman, 2012). For instance, profiles on Facebook contain a lot of information including pictures and basic facts (Boyd and Hargittai, 2010).

Previous research shows that both low and high self-esteem is related with selfpromotion behavior with a gender based difference (Mehdizadeh, 2010). Kramer and Winter (2008) did not find any significant difference between low and high self-esteem users with self-presentation behavior. The personality characteristic of extraversion was studied with respect to number of friends on Facebook. A positive correlation was reported between number of friends on Facebook and extraversion, while introverts were found to continue with their inhibitions on Facebook (Amichai-Hamburger and Vinitzky, 2010). Two studies by Fox and Rooney (2015) and Sorokowski et al., (2015) reported a positive association between selfie posting and narcissism. Weiser (2015) pointed at the paucity of studies exploring the connections between selfie posting and narcissism and highlighted the need to keep on exploring a complex construct like narcissism.

Although the connections between self-presentation and impression making on social media and personality traits have been explored yet this area requires further methodical inquiry (Kim et al., 11). Barry et al., (2017) highlighted the gap in the present body of literature concerning the relationship between self-esteem and social media behavior. Further, Weiser (2015) suggested that the construct of narcissism and selfie posting needs further examination. Mixed findings have been reported in studies exploring the relationship between self-esteem and selfie posting which requires further probe (Sorokowaska et al., 2016). Social media usage has grown up exponentially in India (The Statistics Portal, 2017). This study is an initial attempt to investigate linkage between select personality traits and selfie posting in the Indian context.

## **Proposed Relationship and Hypothesis Development**

## Self-esteem

In cognitive sense, self-esteem is global subjective evaluation of self's worth (Pyszczynski and Cox, 2004). It is how much value one attaches to oneself. Socio-psychologically self-esteem is subjective emotional evaluation of one's self-worth that may be positive or negative. Global self-esteem is positive or negative evaluation of self in totality and implies approval or rejection of the self (Rosenberg et al., 1995). People with high self-esteem have great liking and

regard for themselves (Baumeister et al., 1989). High self-esteem is found to be correlated with happiness, positive affect and extraversion (Cheng and Furnham, 2003), likeability, giftedness and power (Yaniko and Lu, 2000), and, triumph and pride (Smith and Mackie, 2007).

Self-esteem may create evaluative emotional reactions on both positive and negative side. Benefits of high self-esteem are initiative and pleasant feeling (Baumeister et al., 2003). Low esteem may foster a feeling of being ashamed of self (James, 1890), cause people to be self-protective (Baumeister et al., 1989) and experience uneasiness in self-disclosure because of fear of disapproval and devaluation (Leary et al., 1995). Low self-esteem is likely to be related to characteristics such as social anxiety, introvertedness and shyness (Leary and MacDonald, 2003). In comparison to people with high self-esteem, people with low esteem experience loneliness and have less satisfying and stable relationships (Wood et al., 2003).

In general, self-esteem is about what one feels about himself or herself (Pyszczynski and Cox, 2004). On the opposite side, a high sense of self-worth results from a perception of having something valuable like looks or competence. Individuals with high sense of self-esteem are likely to exhibit what they feel proud of, to others, to win admiration, veneration, acceptance and love (Borden and Horowitz, 2001). Therefore, a positive direction between high self-esteem and communication with others appears logical. It is akin to the colloquial expression that 'if you have it, you flaunt it'. On the other hand, communication is unlikely to happen in the absence of anything to feel good about. People with low self-esteem are likely to avoid self-presentation and withdraw socially because of pessimistic outlook and feeling of inferiority. Alternatively, people with high-esteem are likely to be more engaged with others for they feel confident, valuable and capable.

H1: Self-esteem is positively related with higher selfie posting behavior.

## Narcissism

Narcissists have an inflated sense of their physical and mental self (Buffardi and Campbell, 2008). They have grandiose ideas about their physical attractiveness, intelligence and power (Brown and Zeigler-Hill, 2004). Narcissists exhibit fixation with physical appearance, sense of entitlement, desire for admiration, and self-importance (American Psychiatric Association, 1980). In interpersonal situations, narcissists seek success and power even at the cost of manipulation and exploitation of others (Miller et al., 2012). It is all about being self-centered (Pulver, 1970). The bloated sense of self constantly pushes them to self-promotion, exhibition and self-validation by all means (Morf and Rhodewalt, 2001).

In order to win respect and admiration of others, the impression making assumes critical significance for individuals with narcissistic personality (Crowne and Marlowe, 1964). Murray (1938) established connections between exhibitionistic behavior, vanity and attention seeking. The issue of narcissism and social media use has attracted academic attention (Orlet, 2007). Narcissists are likely to show off what they assume they have and seek validation of perceived superiority and triumphs from others. Social media sites are conducive for showing off self-importance and self-promotion (Buffardi and Campbell, 2008).

The relationship between narcissism and grandiosity has been affirmed in the literature (Raskin et al., 1991). Narcissists brag and talk about themselves (Buss and Chiodo, 1991) and seek appreciation from fame (Wallace and Baumeister, 2002). The impressions that others have are instrumental in construction of narcissistic identity (Kim et al., 2011). Narcissism is reported to be linked with higher number of self-focused tweets (McKinney et al., 2012) and use of photo feature of Facebook (Alloway et al., 2014). A frequent post of self-portraits and checking of updates were reported to be related with narcissism (Ryan and Xenos, 2011).

A positive correlation is expected between a narcissistic person and selfie posting behavior.

H2: Narcissism is positively related to higher selfie posting behavior.

## Locus of control

At the heart of the concept of locus of control is the perception as to who controls outcomes in life (Rotter, 1966). Is the control vested within the person or is it with some outside force? External locus of control is the belief that outcomes in life are largely determined by causes that are beyond one's control. The attributions may be luck or chance or behavior of others (Lefcourt, 1966). It is based on the learning that reinforcements are independent of responses and this undermines the drive to engage in instrumental responses (Seligman, 1975). On the other hand, an internal locus of control defines an orientation that outcomes in life are by and large within one's control (Lefcourt, 1966; Rotter 1966). Internal locus of control is linked with positive attitude (Potosky and Bobko, 2001).

Internal locus of control is found to be connected with greater web usage (Hoffman et al., 2003). Profiles on social networking sites including selfies are used for self-presentation and impression creation (Mehdizadeh, 2010; Papacharissi, 2011). One of the key drives behind self-promotion is to get an affirmative feedback (Mehdizadeh, 2010). Selfie is a relevant instrument for users with higher self-control (means internal locus of control) to influence their social image. Selfies like any other impression making tactic is less likely to be effectively used by people with external locus of control (Silvester et al., 2002).

A positive relationship between locus of control and selfie posting can be hypothesized.

H3: High locus of control (internal locus of control) is positively related with higher selfie posting behavior.

## Method

## Sample

The participants in this investigation were students enrolled in both undergraduate and post graduate programmes of University of Delhi, India. The study intentionally focused on students that belonged to the age group of 20-25 years because the young are the prime consumers of selfies (Jang et al., 2015). After screening

out the incomplete responses, a sample of 534 was used for analysis. In the final analysis, the division between female and male respondents was 58 (N=310) and 42 (N=224) percent respectively. The responses obtained on the structure instrument were coded and analyzed through SPSS. The statistical analysis included compare mean analysis and hypothesis testing based on correlation estimates.

### Measures

The data for the study were collected on a structured questionnaire. The responses were sought on three personality traits of narcissism, self-esteem, locus of control, and, selfie posting frequency. The self-esteem construct was measured with ten items coded on a five point scale based on Rosenberg (1965). The respondents revealed their agreement or disagreement on items like 'I wish I could have more respect for myself'. Narcissism construct was measured on NPI-13 (Gentile et al., 2013) scale with 13 items on which respondents revealed their level of agreement or disagreement. Locus of control construct was measured on an eight item Likert type scale (Levenson, 1973). The responses on selfie posting frequency were obtained on a scale with two opposite extremes as 'once a month' (to reveal rarity) to 'several times a day' (to show high frequency) with graded responses in between.

## **Results and Discussion**

In the first step, the data collected were transformed into descriptive statistics (Table-1). The mean values for three personality traits across male and female group prima facie are closer to each other. This is indicative of similarity across gender. This prima facie observation was later put to test of difference between means of personality traits between male and female groups. But this did not hold true for selfie posting frequency, that is, both genders differ in their selfie posting behavior, specifically women post selfies more than men.

#### Table-I: Descriptive Statistics

	Fen	nale	Male			
Variable	Mean	Standard Deviation	Mean	Standard Deviation		
Self Esteem	2.58	0.37	2.63	0.39		
Locus of Control	4.97	1.23	4.90	1.20		
Narcissism	4.17	1.03	4.20	1.06		
Selfie Posting Frequency	2.7 (once every other week)		I.6 (once a month)	0.39		

## **Reliability Analysis**

The measures used in the study were checked for internal consistency. Accordingly, Cronbach alpha was estimated for the constructs (Nunnally, 1978). The reliability for the three constructs namely self-esteem, locus of control and narcissism were found to satisfy the threshold limit of 0.7 (Table-2).

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able-2. Reliability Estimates	
Constructs	Reliability Estimates
Constructs	(Cronbach Alpha)
Self Esteem	0.732
Locus of Control	0.823
Narcissism	0.842

## Personality and Selfie Posting

A positive relationship was hypothesized between three personality traits and selfie posting. The analysis for the total sample supported one of the three hypotheses. The hypothesized relationship between self-esteem and selfie posting was not supported by the analysis although the correlation coefficient was negative and high (Table-3) (r= -.09\*, p<.05). The second hypothesis which predicted a positive relationship between locus of control and selfie posting was rejected (r= .053, ns). However, the third hypothesis proposing a positive relationship between narcissism and selfie posting was accepted (r= 0.14\*\*, p< 0.01).

#### Table-3: Correlation Estimates

Table 2. Poliability Estimator

Variable	Take and Post	Self- Esteem	Locus of Control	Narcissism
	Selfie			
Take and Post Selfie	I			
Self-Esteem	-0.92*	I		
Locus of Control	.053	.056	I	
Narcissism	.135**	.032	.419**	I

 $\ast$ . Correlation is significant at the 0.05 level (2-tailed).  $\ast$ .Correlation is significant at the 0.01 level (2-tailed).

## Gender based analysis

A gender based investigation was carried out to test the proposed hypotheses. Two findings stand out:

First, male and female groups differed with respect to narcissism and selfie posting. The relationship between narcissism and selfie posting was found to be positive and significant for females which were not the same for men.

Second, in case of male group the relationship between self-esteem and selfie posting was found to be significant but negative. This was not found to be the same for the female group. The negative significant relationship was counter intuitive.

## **Re-Confirmatory Analysis**

A re-confirmatory analysis was carried out on the data and the linear relationship

between self-esteem, locus of control, narcissist personality and taking and posting selfies was assessed. Statistically multiple regression analysis procedure was adopted. The variable self-esteem reveals a significant but negative relationship between self-esteem and selfie posting behavior ( $\beta$ = -.097, P=0.025). Next, the variable locus of control is found to not contribute significantly to selfie posting behavior ( $\beta$ = .001, p= .988), implying that locus of control is not an important factor in predicting selfie posting behavior. Finally, the variable narcissism is found to be significantly correlated with selfie posting behavior ( $\beta$ = .138, p=.004).

## Discussion

The supposed positive relationship between self-esteem and selfie posting did not find support in this study. Rather a negative significant relationship was discovered same as other studies like Fioravanti et al., (2012) and Huang and Leung (2012). People with low self-esteem are likely to post self-portraits more frequently. This contradicted with hypothesized relationship that people with higher self-worth are likely to be motivated to make self-disclosures more frequently on social media. This may be because it is possible to edit and add effects to photos before posting on social media which is not possible in direct face to face interactions (Barry et al., 2017). Selfies allow people to mediate interaction with others on social media in a manner that allows them to fulfill their self-esteem needs (Varnali, 2015; Gonzales and Hancock, 2010). This seeks to compensate for a sense of poor selfworth (Mullai et al., 2017). The 'like' and 'comments' provide instant boost and promote good feeling about the self. In this way, comments and likes in response to selfies serve a role in self-construction project. The sentiments embedded in responses to a selfie can engender positive feelings like pride, confidence and feeling good.

The gender based analysis of this relationship found negative significant relationship between self-esteem and selfie posting in case of male group. This finding supported a previous study which also discovered a relationship between selfie posting in case of males but not females (Sorokowaska et al., 2016). Though social media is used for self-promotion to boost self-esteem by people with low self-esteem (Kramer and Winter, 2008), the difference between two genders in selfie posting is intriguing. It needs further investigation to reconfirm whether selfie posting and self-esteem connections vary across genders. It is quite possible that men use one tool of selfie more frequently and women may employ other devices in addition to selfies. For instance, McAndrew and Jeong (2012) reported that women use profile pictures for impression management more than men (McAndrew and Jeong, 2012).

The hypothesized relationship between narcissism and selfie posting was accepted and was statistically significant. Typically narcissists hold exaggerated positive ideas about their appearance, status and social standing (Bradlee and Emmons, 1992). The positive significant relationship implies that narcissists use selfie more for self-presentation and expression; this is in sync with their motivations that include bragging, seeking admiration and display (Campbell and Foster, 2007; Buffardi and Campbell, 2008). Clues can be embedded in selfies to

signify success, status or simply good looks (Kapidzic, 2013; DeWall et al., 2011). Narcissists engage in a dynamic process of self-construction (Morf and Rhodewalt, 2001) and selfies bestow on them an opportunity to buttress their narcissistic ego. Previous research established association between narcissism and use of social media (Ryan and Xenos, 2011) and predicted the same for selfie posting (Sung et al., 2016). This study confirms the same.

The study found a positive relationship between locus of control and selfie posting but statistically it was not significant. This was counter to the hypothesized relationship. Theoretically, people with high locus of control or 'internals' believe that they can determine outcomes of events that happen in their lives. This is likely to hold true for both online and offline interactions. In recent years online impression management has gained significance (Tong et al., 2008; Zhao et al., 2008). People engage in actions to portray desired images (Goffman, 1959) for purposes such as starting a relationship, obtaining consent, forging relationship and safeguarding interest (Cody et al., 1994). Selfies in this regard appear to be a strategic tool for internals for creating desired outcomes by means of self-projection. Locus of control does explain outcomes in the context of specific event in health care (Norman and Bennett, 1995) and work environment (Cook et al., 2000 and Silvester et al., 2002).

Our findings did not support the hypothesized relationship. The lack of statistical significance between locus of control and selfie frequency implies that selfie is not used by 'internals' in impression management. Several reasons could be attributed including that social media do not allow precise targeting of specific audience and events where one may seek to shape outcomes. In a face to face interactive situation like sales or job interview 'internals' are likely to use self-presentation to produce favorable outcome but it does not seem to hold true in a technology mediated indirect environment.

## **Conclusions and Limitations**

Most environments are competitive in nature be it business or social. Accordingly people manage impressions to orchestrate outcomes in their favor. Taking clue from organizational context where impression management is used in context like interviewing, (Kacmar et al., 1992), and performance appraisal (Wayne and Ferris, 1990) and to groups like customers, superiors and colleagues (Harris et al., 2007). This study sought to explore correlates of selfie posting as impression management tactic with personality traits. A positive relationship was hypothesized between selfie posting and traits of self-esteem, narcissism and locus of control. Selfie is used by people with low self-esteem who otherwise may shy away from making self-presentation in direct face to face situations. Selfies are likely to be used more by low esteem people as a vehicle reverse to their perception of inadequacy and low worth. The technology mediation provides them with a kind of insulation which otherwise is not available in real environment. This way social media offers a therapeutic ground to cope with their psychological lows. Social media is also a ground for narcissists to embark upon ego trip to reinforce their desire for attention seeking and sense of enlarged ego. Selfie in its very essence is narcissistic apparatus because of centrality of self in the frozen frame. Finally, selfies are not an appropriate tool for 'internals' for image management. This may be because selfies are broadcast images and are not confined to narrowly defined event sphere.

This study sought to correlate selfie posting with personality traits in the Indian context. Therefore the sample was confined to Indian youth between the age group of 20-25 years. This certainly implies that other demographic sections may render results generalization inappropriate. The social media usage is pronounced in teen and tween demographic groups. Exploring these relationships and their validation among these groups would offer additional insights. The theoretical justification needs to be further dug up as to why selfie posting goes well with low self-esteem. Similarly, investigation requires to be carried out as to why people with high locus of control do not find selfie as a right tool for impression management.

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## Understanding the Interplay Between Message Characteristics, Demographic Factors and Word of Mouth Effectiveness

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### Abstract

Word of Mouth Communication has been one of the most exciting areas of research enquiry. While a majority of research on word of mouth focusses on its triggers and consequences, less attention has centred on the moderating or conditional factors that surround word of mouth. The main contribution of this study is to fulfil this gap. This study specifically examines how WoM message characteristics as a push factor influences the effectiveness of WoM conversations. An attempt is also made to examine whether word of mouth outcomes vary across different demographic segments. A total of 1535 urban consumers who were party to word of mouth conversations constitute our sample for the study. Data are collected from respondents across five urban centres of Assam (India) using a structured questionnaire that was administered to the respondents. Linear regression method is used to examine the absolute impact that message characteristics have on the effectiveness of word of mouth, followed by the Kruskal Wallis H test used to determine whether or not word of mouth outcomes vary across different consumer segments. The findings support the hypothesis that message characteristics influence the various components of word of mouth effectiveness and that message reliability is the most important message characteristic affecting purchase behaviour. Another principal finding of the study is that word of mouth outcomes differ across different genders, age groups, educational levels, occupation categories, income groups and family sizes.

**Keywords and Phrases**: WoM Communication, WoM Messages, Urban Consumers and Purchase Behaviour

## Introduction

In the modern day business world, which is characterized by free flow of information, consumers receive information about products from multiple sources. However, research has shown that the consumers of today have become less attentive towards traditional advertising and are more oriented towards word of

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mouth (McDonnell, 2005; Nielsen, 2007). Consumers have always been biased towards believing someone who narrates his / her own experience of using the product rather than someone who is an employee or representative of the company (Phelps et al., 2004; Mielach, 2012; Bhanot, 2012). This, coupled with the increasing cost of traditional media (Bughin, Doogan & Vetvik, 2010) and distrust in advertising (Bouch, Friestad & Rose, 1994; Dark & Ritchie, 2007 and Nielsen, 2013) have boosted the influence of word of mouth. The gradual shift from traditional media to social media has also presented marketers with a new and fast alternative of communicating with the market, thereby giving rise to electronic WoM.

Word-of-mouth communication is an interpersonal dialogue about a product, brand or service between consumers. It differs from advertisements as it is a non-commercial message created by consumers. This message provides for narration of direct experiences of consumers and affects the purchase decisions of other consumers (Godes and Mayzlin, 2004; Park et al., 2007). The launch and development of the internet has changed the consumer's method of searching for relevant product information. Costs of communication have fallen drastically with the advent of social networking websites. In line with these findings, many organizations have reduced their marketing expenditure on traditional advertising and are now focussing on word of mouth as a proper marketing strategy. (Palmer & Koenig-Lewis, 2009; Yang et al., 2008). Marketers naturally realise the importance of word of mouth in comparison to other promotional strategies, especially with regard to its implications for trust and associated outcomes (De Carlo et al., 2007).

According to Silverman (1997), the persuasive effect of WoM is due to the following reasons: (1) the information provided via word of mouth is perceived as being more credible than that provided commercially since most WoM conversations occur among relatives and friends; (2) Word of Mouth is a two-way communication, not a one-way propaganda; (3) It provides potential customers with no experience to reduce purchase risk and uncertainty; (4) Since WoM is live and the recipient can instantly respond to inquiries, it can provide more complete information. Over the years, word-of-mouth has been proven to be an effective method of obtaining useful information for purchase decisions (Henricks, 1998); its counterpart in cyberspace – electronic-word-of-mouth has been in existence from the beginning of the internet age and has proven to be useful in online transactions (Gelb and Sundaram, 2002; Henning-Thurau et al., 2004; Khermouch and Green, 2001).

According to a word of mouth study conducted amongst 9027 consumers from 35 different countries, more than one third of all consumers post information about the products in social media (Insites Consulting, 2011). This figure was in 2011, which must have increased by now. Furthermore, Cheung et al., (2009), Burton and Khammash (2010), and Willemsen et al., (2012) believe that WoM has a significant effect on consumers' decision-making process. However, there are various factors that could possibly influence the level of impact word of mouth has on the purchase behaviour of consumers and there's a greater need for research on the same.

Understanding the Interplay Between Message Characteristics, Demographic Factors and Word of Mouth Effectiveness

## Literature Review

A review of existing literature reveals that most of the studies relating to WoM messages have focused on the volume and valence of word of mouth. Volume measures the total amount of word of mouth conversations. Valence captures the direction of word of mouth messages i.e., whether they are positive or negative. Authors like Bowman and Narayandas (2001) and Van den Bulte and Lilien (2001) have focused exclusively on the volume of word of mouth, the latter revealing through their study that the volume of word of mouth correlates significantly with consumer behaviour and marketing outcomes. The reason marketers often put forward to explain why the volume of word of mouth matters is consumer awareness. Godes and Mayzlin (2004) suggest that the more conversation there is about a product, the more likely someone is to be informed about it, thus leading to greater spread of product related information. There is a flipside to this, as well. There are brands that have a strong online presence and garner thousands of reviews each day. Many marketers feel that it is very time consuming to monitor them and it is almost impossible to control them as well. Not just that, a lot of resources and efforts will be required to manage and monitor this type of information (Dellarocas, 2003).

Valence of word of mouth is defined as any positive or negative statement about a product made by potential, actual or former customers, which is available to a multitude of people and institutions of the internet (Hennig-Thurau, Gwinner, Walsh and Gremler, 2004). Most word of mouth messages are either very positive or very negative; they are bereft of neutrality (Anderson, 1998; Maxham & Netemeyer, 2002). Some researchers have compared the relative impact of both positive word of mouth and negative word of mouth. Arndt's research in 1967 showed that negative word of mouth led to a fall in sales of a food product more than twice as strongly as positive word of mouth enhanced it. Richins (1983) articulated that negative word of mouth is communicated to a greater number of people than positive word of mouth. This finding is validated by Desatnick's study in 1987 where he found out that customers who switch from one service provider to the other, tell their story to at least nine other people. TARP (1986) talked on similar lines, revealing that disgruntled customers tell twice as many people about their negative experiences, while more recent studies of negative word of mouth in Canada and Singapore find that 80% of dissatisfied consumers tell at least three others about their experience (Lau & Ng,2001).However, there has been studies in the past refuting this claim, suggesting an equal impact across negative and positive WoM (East et al., 2007). Sundaram et al., (1998) highlighted how message content may vary according to valence.

A few industry specific studies have been identified that have worked on the influence of word of mouth messages on consumer purchase behaviour. Teng et al., (2017) in their study on the education sector examined how Chinese and Malaysian users process electronic WoM messages and decide on continuing their overseas study. The study revealed that argument quality, source perception and source style exerted varying influences on the users' attitudes and intentions to

continue their study abroad. Morgan, Pritchard, & Piggott's (2003) research on word of mouth in the hospitality industry noted that negative word of mouth can have an overwhelming impact upon a destination's image, as dissatisfied visitors spread unflattering comments related to their experiences in their social circles. Anderson (1998) was among the earliest to recognize the importance of WoM communication aspects, suggesting these can vary in vividness, pleasantness, and novelty. Since then, the past couple of decades has seen an increasing recognition of the importance of message characteristics (Allsop et al., 2007; Mason & Davis, 2007) and of the importance of words, content, and expressiveness in WoM messages (Dichter, 1966; Gremler, 1994; Godes & Mayzlin, 2004 and Gabbott & Hogg, 2000).Based on the detailed literature review carried out,following research gaps were identified:

Firstly, word of mouth's impact on purchase behaviour is well documented but it is also important for us to study the influence word of mouth (WoM) related factors like tie strength, homophily, source credibility, and message characteristics etc. exert on WoM effectiveness. Of these factors, *message characteristics* has received considerably less attention and hence becomes the focal point of this research.

Secondly, past works in the area of WoM has suggested that purchase intention is one of the most popular outcome variables of WoM communication (Sher & Lee, 2009; Lee & Lee, 2009). But it is not the only important outcome as there are other major marketing outcomes that reflect overall WoM effectiveness - *awareness, interest, preference level, product enquiries, product trials, overall reputation, purchase intent,* and *actual purchase.* No major study has so far been conducted that tries to look at the influence of message characteristics on these individual dimensions of WoM effectiveness.

Thirdly, another significant gap that has largely went unnoticed is that there hasn't been any comprehensive study that has emphasized on the impact of WoM with reference to demographic variables. Therefore, there is need for more research work to be done in order to study the impact of WoM cutting across different demographic segments. (Petty, Wheeler & Tormala, 2013).

## **Objectives of the Study**

The purpose of this research is two-fold. This study aims to fulfil the following objectives:

- *Firstly,* to examine whether word of mouth message characteristics have a positive impact on different components of WoM effectiveness.
- *Secondly,* to examine if word of mouth outcomes varies across different demographic segments. An attempt is made to check whether word of mouth impact differs for different customer groups.

## **Hypotheses Formulation**

Following hypotheses are formulated in line with the research objectives used in the study.

H<sub>A</sub>: Message characteristics has no significant impact on consumer awareness.

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- H<sub>B</sub>: Message characteristics has no significant impact on consumer interest.
- **H**<sub>c</sub>: Message characteristics has no significant impact on consumer preference level.
- **H**<sub>D</sub>: Message characteristics has no significant impact on propensity to make enquiries.
- $H_{E}$ : Message characteristics has no significant impact on propensity to make product trials.
- **H**<sub>F</sub>: Message characteristics has no significant impact on perception of firm's reputation.
- $\mathbf{H}_{\mathbf{G}}$ : There is no significant impact of message characteristics on purchase intent.
- $H_{H}$ :WoM Effectiveness scores are equal across different gender groups.
- H<sub>1</sub>:WoM Effectiveness scores are equal for consumers from different age groups.
- **H**<sub>J</sub>:WoM Effectiveness scores are equal for consumers from different educational levels.
- **H**<sub>κ</sub>:WoM Effectiveness scores are equal for consumers of different occupation categories.
- **H**<sub>L</sub>:WoM Effectiveness scores are equal for consumers coming different income groups.
- **H**<sub>M</sub>:WoM Effectiveness scores are equal for consumers irrespective of their family size.

## Scope, Assumptions and Limitations

The academic scope of the study is restricted to analyzing the level of influence word of mouth message characteristics have on the different components of WoM effectiveness. An attempt is also made to see if word of mouth outcomes differ or remain the same across different demographic segments. Building on earlier research, a conceptual definition of WoM effectiveness is developed combining different possible outcomes resulting from word of mouth conversation. The geographic scope of the study is restricted to five major urban centres of Assam - Guwahati, Dibrugarh, Jorhat, Silchar and Tezpur. The time line of the study is the period of October of 2016 to July of 2017, during which data collection has been carried out extensively. It is assumed beforehand that the participants will give honest and accurate responses to the questions posed to them based on their personal experience, and to the best of their individual abilities. Like any other research, this study has its fair share of limitations. The study suffers from one major limitation, that the questions posed to consumers are based on past referrals, i.e. on word of mouth conversations that have happened in the recent past, thus ruling out the possibility of collecting real time data.

## **Research Methodology**

**Research Design** – The research design followed here is Survey design. It is effective, cheap and easy to conduct. Data are collected using a structured questionnaire developed for the purpose of study and filled up by the respondents. Questionnaires are handed out to the respondents in person and not mailed.

**Sampling Design** – Data are collected from a total of 1535 respondents. Inclusion of respondents in the sample is done on the basis of convenience owing to close proximity to the sample and to ensure sampling control. The sample location for the study is restricted to five major urban centres located in Assam – Guwahati, Dibrugarh, Jorhat, Silchar and Tezpur.

**Scales and Variables** – Questions contained in the research instrument are varied in terms of their response formats – dichotomous, trichotomous, multiple choice questions, and rating based questions measured on Likert scale. The various variables used in the study are listed as under:

### Table-1: List of Variables

Variable	Description
Age	The specific age group that the individual respondents belong to: Less than 18, 18-24 years, 25-34 years, 35-44 years, 45-54 years, 55 and above.
Gender	This variable specifies the gender the respondent belongs to – Male, Female and Transgender.
Education	This variable specifies the educational level, the respondents surveyed belong to- High School, Higher Secondary, Graduate, Post Graduate and Professional degree.
Occupation Туре	Whether the respondent is engaged in service or business. If service, whether employed in govt. sector or in a private firm.
Income Group	Classification based on respondents' gross monthly earnings – INR 5000-9999, 10,000-19,999, 20,000-49,999 and 50,000+
Family Size	This variable specifies the number of family members in terms of a defined range: 1-3, 4-6, 7-9, 10 and above.
Message Characteristics	This variable studies the various dimensions of the message that is passed on to the information seeking users – Persua- siveness, Clarity, Usefulness, Completeness and Reliability.
WoM Effectiveness	WoM Effectiveness is reflected in the impact, the WoM conversation has on the respondents' purchase behaviour. Ratings are received and computed from the respondents on a 5 point Likert scale to measure the different layers of effectiveness – awareness, interest, preference level, product enquiry, product trial, overall reputation, purchase intent.

## **Results and Discussion**

## Demographic Profile of the Respondents

The sample of 1535 respondents has a *gender* distribution of approximately 71.8 percent male and 28.2 percent female respondents. The *age* distribution of sample respondents is heavily dominated by the age group 18-24, as approximately 61 percent of the respondents fall under this category, followed by the age group 25-34 which represents 25.4 percent of the total respondents. As far as *educational level* is concerned, majority of the respondents fall in the graduate

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and post graduate categories with 36.4 percent and 39.7 percent representation of the sample respondents. A closer look at the *occupation* categories reveals that majority of the respondents are unemployed including students and housewives, who are dependent on parental or spousal support. Of the remaining respondents, 15.70 percent work in the private sector, followed by 5.27 percent in government jobs and 11.90 percent of the respondents are engaged in business activities.

## Message Characteristics and Purchase Behaviour

In order to study the influence of message characteristics on consumer purchase behaviour, linear regression method is used. There are seven main outcome variables considered here: (1) *Consumer Awareness*; (2) *Interest in Product;* (3) *Preference level;* (4) *Propensity to make product enquiries;* (5) *Propensity to go for product trials;* (6) *Overall Reputation;* (7) *Purchase Intent.* An attempt is made to examine the impact of message characteristics on each of these dimensions of WoM effectiveness. *Message Characteristics* which states the various dimensions relating to the message is the independent variable used in the study.

### Table-2: Regression Coefficients, R value, R Square and F Statistic

		Word of	f Mouth Effe	ctiveness	Outcor	nes		
Message Characteristics	Regression Coefficients ( $\beta$ )							
Characteristics	Awareness	Interest	Preference	Enquiry	Trial	Repute	Intent	
Persuasiveness	.184	.106	.105	.095	.106	.136	024*	
Intensity/ Clarity	.090	.288	.302	.451	.086	120	044*	
Usefulness	.163	.213	.220	.117	.099	.034*	.073	
Completeness	.126	.061	.016*	.011*	.196	.266	.254	
Reliability	.312	.261	.258	.118	.301	.202	.204	
F Statistic	108.39	118.16	115.06	121.3	92.61	80.98	64.39	
R value	.512	.528	.523	.533	.482	.458	.417	
R square	.262	.279	.274	.284	.232	.209	.174	
Mean	3.65	3.83	3.90	4.17	4.67	4.74	4.75	
SD	.833	.940	.875	.590	.596	.534	.548	

\*Except the values with the asterisk mark, all regression coefficient values have been found to be significant against an alpha value of  $0.05\,$ 

Interpreting the results we have,

- For every one unit increase in the persuasiveness of the product related message, consumer awareness is likely to increase by .184; consumer's absolute interest increases by .106; consumer's preference for that product increases by .105; consumer's propensity to make enquiries increases by .095, consumer's propensity to go for product trial increases by .106 and consumer's perception of the firm's reputation increases by .136. There is no significant relation between message persuasiveness and purchase intent.
- For every one unit increase in the intensity and clarity of the message, consumer awareness is likely to increase by .090; consumer's absolute interest increases by .288; consumer's preference for that product increases by .302; consumer's propensity to make enquiries increases by .451, consumer's propensity to go for product trial increases by .086 and consumer's perception of the firm's reputation decreases by .120.

- For every one unit increase in the usefulness of the message, consumer awareness is likely to increase by .163; consumer's absolute interest increases by .213; consumer's preference for that product increases by .220; consumer's propensity to make enquiries increases by .117, consumer's propensity to go for product trial increases by .099 and consumer's purchase intention increases by .073. No significant relation is found between message usefulness and firm's reputation.
- For every one unit increase in the completeness of the message, consumer awareness is likely to increase by .126; consumer's absolute interest increases by .061; consumer's propensity to go for product trial increases by .196; consumer's purchase intention increases by .266; consumer's perception of the firm's reputation increases by .254. No significant relation is found between message completeness and preference for goods and firm's reputation.
- For every one unit increase in the reliability of the message, consumer awareness is likely to increase by .312; consumer's absolute interest increases by .261; consumer's preference for that product increases by .258; consumer's propensity to make enquiries increases by .118, consumer's propensity to go for product trial increases by .301, Consumer's perception of firm's reputation increases by .202; and consumer's purchase intention increases by .204.
- Interpreting the R square values, we can say that the overall message characteristics explain 26.2 percent variation in awareness about the products, 27.9 percent variation in interest in the products, 27.4 percent variation in preference level for the products, 28.4 percent variation in the propensity for making product enquiries, 23.2 percent variation in the propensity for making product trials, 20.9 percent variation in the perception of the firm's reputation and 17.4 percent variation in the consumer's purchase intention.
- Interpreting the R values, you can see there is positive but moderate correlation between message characteristics and all components of Word of Mouth effectiveness (.512, .528, .523, .533, .482, .458, and .417).

Based on the findings above, the first two hypotheses of the study, that message characteristics have no significant effect on consumer awareness(H<sub>1</sub>) and consumer interest (H<sub>p</sub>) stand nullified. The third hypothesis (H<sub>p</sub>) and the fourth hypothesis (H<sub>p</sub>) that message characteristics have no significant effect on consumer preference level and consumer propensity to make product related enquiries is rejected partially as four of the five key message characteristics (persuasiveness, clarity, usefulness and reliability) show statistical significance while message completeness has been found to be insignificant. The fifth hypothesis  $(H_r)$  that message characteristics have no significant effect on consumer propensity to go for product trials is nullified as the results show all five message characteristics show statistical significance. The sixth hypothesis  $(H_{c})$  that message characteristics have no significant effect on consumer's perception of firm reputation is rejected partially as all message characteristics except message usefulness is found to be statistically significant. The seventh hypothesis (H<sub>c</sub>) that message characteristics have no significant effect on purchase intent is rejected partially as the results reveal only three message characteristics (usefulness, completeness, reliability) are statistically significant.

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## Word of Mouth Effectiveness and Demographics

Herein, an attempt is made to examine whether word of mouth outcomes differ for customers belonging to different demographic segments. For the purpose of this study, we look at six key demographic factors – *Age group, Gender, Educational level, Occupation type, Income group and Family Size.* We go for the Kruskal Wallis H test, which is used to determine if there are statistically significant differences between two or more groups of an independent variable.

Table-3: Kruskal	Wallis H Test
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Variable	N	Mean Rank	Chi Square	Sig
Age Group				
Less than 18	78	813.71		
18-24	939	814.57	111.054	.000
25-34	390	707.60		
35-44	72	645.14		
45-54	37	419.96		
55 and above	19	662.11		
Gender				
Male	1102	760.97		
Female	433	785.90	2.283	.013
Education		507.17		
High School	93	597.17		
Higher Sec	274	727.39		
Graduate	558	778.19	46.877	.000
Post Graduate	610	802.96		
Occupation				
Govt job	81	407.14		
Private job	241	719.87		
Business	183	810.05	147.57	.000
Unemployed	1030	800.17		
Income				
5000-9999	38	781.55		
10,000-19,999	310	791.48		
20,000-49,999	938	788.43	41.181	.000
50,000 and above	249	659.75		
Family Size				
1-3	353	835.58		
4-6	1097	757.69		
7-9	51	596.5 I	43.142	.000
10 and above	34	656.25		

The test findings show that there is a statistically significant difference in word of mouth outcomes among consumers from different age groups,  $\chi^2 = 111.05$ , p = .000, with the highest mean rank of 814.57 implying word of mouth effectiveness was highest in that group. Post hoc analysis was done to see intergroup differences. There was no statistically significant difference between the age groups of 35-44 and 55 and above, the age groups of 35-44 and 25-34, the

age groups of 25-34 and 55 and above and the age group of Less than 18 and 18-24 (p = 1.000).No statistically significant difference was also found between the groups 55 and above and 18-24 (0.356) and the groups 55 and above and less than 18 (0.656).

There is also a statistically significant difference in word of mouth effectiveness between the different gender groups,  $\chi^2 = 2.283$ , p = .013, with a mean rank score of 760.97 for males and 785.90 for females, implying higher effectiveness for females. Post hoc analysis is not performed as there are only two groups for the independent variable.

There is again a statistically significant difference in word of mouth outcomes among consumers from different educational levels,  $\chi^2 = 46.877$ , p = .000, with the highest mean rank of 802.96 implying higher effectiveness for consumers who have completed their post-graduation. The ascending order of mean ranks suggests there is a positive correlation between educational level and WoM effectiveness – Higher, the education, higher the effectiveness. Post hoc analysis was done to see inter-group differences. Multiple comparisons revealed there was no statistically significant difference between graduate and higher secondary groups (.108) and between graduate and post graduate groups (.878). The findings also reveal that word of mouth effectiveness differs for consumers with different occupational backgrounds,  $\chi^2 = 147.57$ , p = .000. The highest mean rank of 810.05 for business implies word of mouth effectiveness was highest for business people. Post hoc analysis was done to see inter-group differences. There was no statistically significant difference between businessmen and students and housewives group that is dependent on parental and spousal income (1.000).

Also, word of mouth effectiveness differs for consumers coming from different income groups,  $\chi^2 = 41.181$ , p = .000. The highest mean score of 791.48 implies word of mouth effectiveness is highest for consumers coming from the 10,000-19,999 segment. Post hoc analysis revealed there was no statistically significant difference between the income groups INR 5000-9999 and 10,000-19,999, INR 5000-9999 and 20,000-50,000 and INR 10,000-19,999 and 20,000-50,000 (1.000).

There's also a statistically significant difference in word of mouth outcomes among consumers coming from different family sizes,  $\chi 2 = 14.104$ , p = .003. Post hoc analysis reveals that there is no statistical significance between the family size categories 10 and above and 7-9 (1.000) and 10 and above and 4-6 (.272).

Thus, based on the findings above, the hypotheses that word of mouth outcomes remain the same across different gender groups  $(H_H)$ , different age groups  $(H_I)$ , different education levels  $(H_J)$ , different occupation categories  $(H_K)$ , different income groups  $(H_I)$  and different family sizes  $(H_M)$  are nullified.

## **Conclusion of the Study**

## Summary Discussion

The purpose of this study was to examine whether WoM message characteristics have a positive impact on word of mouth effectiveness. An attempt was also made to see whether word of mouth outcomes differs across consumers from Understanding the Interplay Between Message Characteristics, Demographic Factors and Word of Mouth Effectiveness

different demographic segments. Using a sample of 1535 respondents who had received product recommendations up until very recently, this study primarily provides insights into the influence each WoM message characteristic wields on the actual purchase behaviour of the respondents. The study reveals that barring a few exceptions, message characteristics have a considerable impact on all of the various components of word of mouth effectiveness. Message reliability is a key characteristic that shows a sizeable effect on each of the components of word of mouth effectiveness. Additional findings from the Kruskal Wallis H test include the revelation that WoM effectiveness differs across consumers belonging to different genders, age groups, educational levels, occupation types, income groups as well as family sizes.

## Theoretical Contribution and Managerial Implications

This research makes three major contributions for researchers and marketers.

The main academic contribution of the study has been to identify the nature and level of influence individual word of mouth message characteristics wields on the various components of word of mouth effectiveness, not just a single component like purchase intent.

Secondly, building on earlier research, a new conceptual definition of WoM effectiveness is developed combining different possible outcomes resulting from WoM conversation. A word of mouth effectiveness score is created by computing the mean score of eight different marketing outcomes, which is used as the dependent variable in our study.

This research while contributing to a better understanding of consumers' purchase behaviour has yielded findings which in turn have important managerial implications of their own. Based on our findings, we propose the following suggestions for marketers -

- The findings reveal that message clarity leads to generation of most product enquiries and message completeness affects purchase intent the most. Marketers as such can take advantage of consequential WoM, which occurs when consumers directly exposed to traditional marketing campaigns pass on messages about them in their social circle. A carefully crafted message which is complete in all aspects will have a stronger impact than the direct effect of advertisements, owing to its higher campaign reach and influence.
- As message reliability has been found as the key message characteristic affecting all components of WoM effectiveness, marketers going for viral campaigns must make efforts to tie up and partner with internet channels that are more trusted amongst internet users. This is because consumers focus more on the message provider than the message itself.
- Results from the Kruskal Wallis H Test provides practical insights into how the impact of word of mouth differs across different demographic segments, thus helping marketers design more effective WoM campaigns. Acting on this finding, marketers can make a target list of influencers that appeal to their key demographics who are most influenced by WoM.

## Scope for further research

Like any other study, this paper is not free from limitations too. The limitations associated with this study provide directions for future research in this area. Further studies can focus on the relative impact of other word of mouth factors like tie strength, homophily, source credibility etc. on consumer purchase behaviour. Researchers can also try to find out the differential impact of word of mouth across various electronic word of mouth platforms. Also, similar studies can be done in urban as well as rural areas to check if there are any deviations in the findings.

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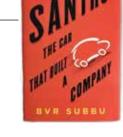
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## **Book Review**

# Santro: The Car That Built a Company





*Reviewer* **A. Sridhar Raj** Assistant Professor Institute of Public Enterprise, Hyderabad

This is a book written by a person of eminence who muddied his hands in helping the Korean company, Hyundai Motor India in launching its car in India. BVR Subbu wrote the book with utmost details and insights. He provided first hand first hand information about the car and the company right from its conception stage to design stage and then its launch across the country.

The book provides different strategies followed by Hyundai Motor India launching its first small car in direct competition with Maruti Udyog Limited. The book is divided into eight chapters and Subbu gave titled each chapter in military parlance – Hyundai Readies For Battle, The Guns Of War, Digging Trenches, Building Bunkers, etc, which makes it all the more interesting given the effort of Hyundai to compete with Maruti Udyog Limited. The book is lucidly written in an effort to highlight the effort made by the Korean giant in launching Santro.

The author provides the details of the passenger car market in India where different automobile companies tried to come out with their own car but failed as they did not understand the Indian customer. He was critical of the companies which followed the advice of the consulting companies; hence failed to position their cars in tune with the expectations of the customers. Hyundai firmly believed that Indians needed a better and bigger small car and Santro was the right pick according to Subbu.

He provides as how minute details were taken into account in the design of Santro which including headroom, legroom and hiproom which suited the Indian physique. The product team constantly interacted with a host of customers to avoid the flaws of Maruti Zen and develop a car which produced a better feeling and comfort for the customers. The author provides how Santro was tested for its climate comfort where the car's air conditioner was subjected to a grueling

## Santro: The Car That Built a Company

fourteen hour daily test drive on the road from Jaipur to Jhunjhunu during the peak summer where the summer temperatures touched 48 degree Celsius.

The author takes pride in the way Hyundai established its distributor network across the country and was proud of its distributor network which enabled Santro to reach the nook and corner of the country. The author talks about different military terms in the launch of the car which include – strategy of encirclement, mobile warfare and guerilla tactics and put forth his argument for an all India presence of the distributors.

He narrates how customer was kept at the center of distributor strategy while selecting the distributors – the Americans put the soldier in the center and built the tank and the Germans built the tank and put the solider into the tank. Obviously, the Americans won. The author wanted the customers to drive for a maximum of seven kilometers for not more than 45 minutes to reach the dealer. He emphasizes that customers were placed in the center and the entire distribution network was built around the customers.

Another important aspect which the author focuses on Santro's strategy was the collaborative approach towards the vendors who supplied quality accessories to Hyundai. Hyundai believed in single vendor sourcing for different products, which meant that a single vendor would supply a specific product for Hyundai, not multiple vendors. The spare parts depots were spread in such a way that the customers never faced difficulty in getting the spare parts. This helped Hyundai in infusing confidence in the prospective customers about the availability of spare parts within a short period of time. The author also narrates as how the auto journalists gave thumbs up to Hyundai's effort in exceptional fit and finish who were allowed to test-drive the car from Chennai to Bangalore and on to Ooty on a stretch of 450 kilometers.

The author narrates that despite the good show, there were many hurdles faced by Hyundai – poor response for dealership, financiers not inclined to align with Hyundai, poor response from customers in the initial months, etc. However, with the increasing satisfaction of the Santro customers coupled with greater accessibility of the distributor networks, of course the face of Shahrukh Khan as the brand ambassador, Santro gained traction and from the year 2001 and by the year 2005 emerged as the market leader by beating Maruti Zen and Tata Indica.

The book portrays the different strategies followed by Hyundai in launching Santro and how it overcame competition from Maruty Udyog Limited. Despite an underdog, Santro became a car of choice for the customers and dethroned Maruti Zen. The book narrates how Santro car built Hyundai Motor India as a company in India.

The author needs to be appreciated for his simple and lucid writing and placing many facts before the reader about competition, product development, distributor network, customer engagement, marketing efforts, etc, all of which can be a good read for management teachers, management students, management thinkers and management consultants.

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3	Goods And Services Tax (GST)	Nov 2-3, 2018	Dr K V Ramesh
4	Urban Common and Right to City (in association with Action Aid and European Union)	Nov 10-30, 2018	Dr Ch Lakshmi Kumari & Action Aid Team
5	International Conference on 'Expanding HR Value: Unraveling the Future of Work'	Nov 15-16, 2018	Dr Shulagna Sarkar & Dr Samarendra Mohanty
6	Enhancing Sales Performance	Nov 26-27, 2018	Dr V Srikanth & Mr P Mahesh
7	Understanding Foreign Currencies Risk and Global Finance	Nov 29-30, 2018	Dr Rajesh G & Dr M Karthik
8	Essentials of Corporate Finance	Nov 29-30, 2018	Dr A Pawan Kumar & Dr Harishankar Vidyarti
9	Cyber Security and Safety Measures	Dec 3-5, 2018	Mr AS Kalyana Kumar
10	Leadership and Change Management	Dec 6-7, 2018	Mr V Anji Raju
11	Contract Management	Dec 10-11, 2018	Dr KV Ramesh
12	e-Procurement System for Vigilant and Transparency	Dec 10-12, 2018	Mr AS Kalyana Kumar
13	Effective Logistics & Supply Chain Management for Operational Excellence	Dec 17-19, 2018	Mr S Satish Kumar & Mr CV Sunil Kumar
14	6 <sup>th</sup> National Conference on 'Diversity in Management – Development of Women Executives'	Dec 20-21, 2018	Dr Narendranath Menon Dr Anupama Dubey & Dr Prarthana Kumar
15	Enterprise Risk Management	Dec 27-29, 2018	Mr S Satish Kumar

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