

Decision Making Styles of Consumer in buying food products: A Study of Bhopal City

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Abstract - With the growth in number of consumers in India, it is important to study the buying behavior of consumers. This study is an attempt to investigate the decision making styles of consumers. The consumer decision making process, which is a complex phenomenon and There are number of factors that could affect the purchase decision of goods or services. Decision making is more complex and even more important for consumers today than in the past. 86 consumers were selected randomly for the study. By a structured questionnaire the Consumer's decision making styles were identified and factor analysis method used for analysis. These styles were shopping enjoyment, habitual buying, consciousness of brand, perfectionist & quality consciousness, brand loyalty, confused by over choices, impulse buying and store loyalty.

Keywords - Consumers, Decision Making Styles, Brand Loyalty, Habitual Buying, Consciousness of Brand, Factor Analysis.

INTRODUCTION:

Due to increasing employment in India the consumers are busy at their work place during day time. This is one of the most important social trends in India today. Consumer's income has increased and therefore their habits to buy their household products from the near by stores or from shopping malls. As per one estimate, Percent increase in number of consumers in Metro Cities like Delhi, Bangalore, Hyderabad, Mumbai, Chennai and Kolkata is 14.7, 13.8, 11.2, 10.9, 10.9 and 10.6 respectively. This has attracted the interest of academician and researchers to study and examine the impact of this trend in buying behavior. This study is an attempt to investigate the decision making styles of consumers in purchasing food products.

This research paper has been divided into three major parts. First part covers theoretical background and research that has been conducted in this area. Although there is a lot of such type of studies in the Indian context, therefore theoretical exploration can be based on international studies carried out in other countries. Second part covers the research methodology adopted to investigate decision making styles of consumers. And finally, a brief discussion of the result, as well as limitations of the study.

LITERATURE REVIEW:

The decision-making process of consumer is a very complex phenomenon depending upon human behavior, and it covers a number of factors that could affect each decision affecting the purchase of goods or services. The global as well as Indian markets are showing tremendous growth in terms of sales, in terms of revenue generation and moreover in terms of increased consumers and therefore resulted in a number of product choice, retail channels (e.g., mail catalogues, television, Internet, and stores etc.) and promotional activity, which makes consumer's decision making more complex.

Sproles (1985) defines consumer decision-making styles as "a systematic approach, cognitive, and mental approach for purchasing, which is constantly dominated by the consumer's choices, which is resulting in a relatively-enduring consumer personality". Later, Sproles and Kendall (1986) define a consumer's decision making (CDM) style as "a mental orientation characterizing a consumer's approach to select from among choices." Sproles (1985) and Sproles and Kendall (1986) provide the Consumer Styles Inventory (CSI), which is an early attempt to systematically measure consumer decision making styles of young consumers in United States. This instrument measures eight mental characteristics of consumer's decision making: fascinate to Perfection, Consciousness to brand, Consciousness to Novelty-Fashion, Recreational, Consciousness to Price-Value, Impulsiveness, Brand-Loyal and confused by over choice.

The literature review regarding the consumer decision making styles reveals that various countries like U.S.A., New Zealand, Greece, Korea, India, the United Kingdom, and China have adopted Consumer Styles Inventory (CSI). These studies are briefly described in the following sections.

Durvasula et al. (1993) administered the CSI on 210 undergraduate business students at a large university in New Zealand. 8 consumers decision making styles were found. These styles are fascinate to Perfection, Consciousness to brand, Consciousness to Novelty-Fashion, recreational shopping conscious, Consciousness to Price-Value, impulsive, confused by over-choice, and brand-loyal.

Hafstrom, Chae and Chung (1992) using the 44 items questionnaire similar to CSI, collected data of 310 randomly selected college students at four universities in

Taegu, Korea. Using the same eight-factor conceptual framework and analytical methods as those of Sproles and Kendall (1986), 7 of eight factors representing dimensions of consumer decision making were confirmed by Hafstrom et al. (1992). The only factor "consciousness to novelty-fashion" was not confirmed. From Korean sample an additional factor of "time-energy conserving" was identified.

Hiu et al. (2001) administered the CSI to 387 Chinese adult consumers. His findings indicated that only 5 decision-making styles are valid and reliable in Chinese culture. These styles were fascinate to Perfection, Consciousness to Novelty-Fashion, recreational, Consciousness to Price-Value, and confused by over choice. In another study in Chinese culture, Fan and Xiao (1998) identified five dimensions of consumer decision making styles: brand consciousness; time consciousness; price consciousness; quality consciousness; and information utilization.

Walsh et al. (2001) confirmed seven factors of consumer decision-making styles for German consumers in Germany. These factors were consciousness to brand, fascinate to Perfection, recreational/hedonism, confused by over choice, impulsiveness, Consciousness to Novelty-Fashion and variety seeking. Mitchell and Wayne (2001) conducted survey of 455 shoppers in Germany and found seven dimensions of consumer decision making styles: these were brand consciousness, perfectionism, recreations/hedonism, confused by over choice, impulsiveness, Consciousness to Novelty-Fashion and variety seeking.

In India, Canabal, M.E. (2002) investigated the styles of decision making of South Indian Consumers among the sample of 173 students and identified five decision making styles, Brand Conscious Style, High Quality Conscious / Perfectionist Style, Confused by Over choice Style, Impulsive / Brand Style, and Recreational Shopper Style.

In another study, Patel (2008) conducted survey of 128 mall shoppers and found six decision making styles: price consciousness, quality consciousness, recreational, confused by overchoice, novelty conscious and variety seeking.

Unfortunately, one major issue with Sproles and Kendall's CSI (1986) relates to its generalization. The original authors questioned that their results could not be generalized to all consumers, as only student samples are not representing to the general population. Most of the study conducted in this area used students as their target populations. Therefore, this study is an attempt to study the consumer decision making styles of Indian Consumers.

RESEARCH METHODOLOGY:

Consumer Styles Inventory (CSI) method has been used to collect data developed by Sproles & Kendall (1986). 39 statements were selected in the structured questionnaire. All of these statements were scored on five point Likert-type scales ranging from *strongly agree* (5) to *strongly disagree* (1). To reveal the demographic

information of the respondents such as age, education, household income and marital status the questionnaire also contained questions on this. The target population for this study was consumers. Respondents (consumers) were selected by cross reference with the help of students in Bhopal city of Madhya Pradesh, India. Interviewers gave instructions to consumers for completing the questionnaire and given some time to respondents independently filled the questionnaire.

DATA ANALYSIS:

The total number of respondents (Consumers) in the survey was 86, out of which around 41 percentage consumers were in the age bracket of 20 to 30 years old, followed by 40-50 (around 59 percentages). Around 63 percentage consumers in the sample have job experience of more than 6 years. Among all the respondent about 76 percentage consumers reported that their yearly family income is above Rs. 3.5 lacs.

The decision making styles of consumers were captured using exploratory factor analysis using SPSS software version 16. Factor analysis was used with the help of the Principal Component Approach by the help of varimax rotation. Initially, all the 39 items were checked for measures of sampling adequacy (MSA) and out of 39 total 8 items were deleted because of their low value of MSA. In this study, the result of Bartlett's test of sphericity (0.00) and KMO (0.656) indicates that the data are appropriate for factor analysis.

In this study, factor analysis was carried out in two steps. In step one; the factor extraction process was applied with the objective to identify the factors to be extracted from the collected data. By applying principal component analysis, 25 items were extracted on 9 factors. Only the factors having eigen value greater than one were considered significant and all factors having eigen value less than one were insignificant for the result and therefore discarded. All the 9 factors together accounted for 71.8 percent of the total variance. In the second step, all the factors were interpreted and labeled. For interpretation only those items, with factor loading more than 0.6 were considered . Below is the table summarizing all the 9 deciding making styles of consumers.

Table 1: Results of Factor Analysis:

Decision making styles of Consumers	Factor Loadin g	Communaliti es	Cronbach's Alpha
Shopping Enjoyment <ul style="list-style-type: none">• Shopping is a palatable activity to me.• Going shopping is one of the pleasurable activities of my life.• I enjoy shopping just for fun of it.• I make shopping trips fast.	0.655 0.795 0.790 0.815	0.665 0.639 0.725 0.784	0.787
Habitual Buying <ul style="list-style-type: none">• I am fond of some brands and I buy over and over.• I shop from the same stores each time.• Once I find a product or brand I love, I prefer to stay with it.	0.791 0.796 0.810	0.758 0.771 0.709	0.798
Brand Consciousness <ul style="list-style-type: none">• I would like to have one or more outfits of the new brand/ style.• with the changing fashion I like to keep my wardrobe up-to-date.• Fashionable, attractive styling is very important to me.	0.867 0.896 0.868	0.841 0.855 0.782	0.874
Perfectionist <ul style="list-style-type: none">• When it comes to purchase a product, I like to get the perfect choice.• I give sincere thought or care when go for purchases.• To get variety, I shop different stores and choose different brands.	0.767 0.778 0.869	0.792 0.795 0.810	0.846
Quality Conscious <ul style="list-style-type: none">• It is very important to me getting quality products.• I usually purchase the best quality product available in the market.• I purchase high standard products, which meet my expectations.	0.816 0.825 0.812	0.734 0.753 0.742	0.763
Brand loyalty <ul style="list-style-type: none">• The well known national/multinational brands are for me.• I prefer buying the brands I am using.• I seldom go for the most advertised brands.	0.782 0.812 0.772	0.682 0.743 0.692	0.763
Confused by Over choice <ul style="list-style-type: none">• I get confused, as there are so many brands available in the market.• It is harder to choose the best products, as I learn more about products.• All the information I get on different products confuses me.	0.867 0.861 0.848	0.770 0.803 0.760	0.842
Impulsive Buying <ul style="list-style-type: none">• I regret lateron, when I make careless purchases.• I should plan very carefully my shopping, than I do.• I always take time and care to choose the best, while shopping.	0.805 0.806 0.793	0.741 0.748 0.729	0.767
Store loyalty <ul style="list-style-type: none">• Malls and Brand stores offer me the best products.• go to the same stores each time I shop.	0.725 0.698	0.627 0.595	0.536

CONCLUSIONS:

The study was targeted to investigate the decision making styles of consumers. In this study total nine decision making styles of consumers were identified. These styles were shopping enjoyment, habitual buying, brand consciousness, perfectionist & quality consciousness, brand loyalty, confused by over choices, impulse buying and store loyalty.

As number of consumers in India is increasing day by day, an understanding of consumer behavior of this segment, referring to their decision-making styles, is important and crucial. This Information on consumer's decision-making styles will be useful for targeting Indian consumers by retailers, shopping malls, companies involve in this segment. Profiling consumers by their decision-making styles provide more meaningful ways to identify and understand this segment and to target each segment with more focused marketing strategies.

There are many limitations also in this study that warrant future research. The study has been conducted in Bhopal city of Madhya Pradesh, India. Therefore the results of the same study may vary, if conducted in other part of the country. The sample size was restricted to 86 consumers and therefore is error-prone. The decision making styles identified in this study are for purchasing of food products. Results may vary if the study were investigated for other product category.

For further research may concentrate on the following important questions:

1. Do the consumers at different level of the organization have different decision making styles in purchasing?
2. Does the nature of the job of consumers (i.e., software engineer, consultants, sales consumers, teacher etc.) influence the consumers' decision making styles?
3. Do the consumers from different geographical areas of India differ in their decision making styles in purchasing?

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