

# Assessment of Efficacy of Consumer Lifestyles as Predictor of Consumer Behaviour for Purchase of Refrigerator

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**Abstract:** *Consumer behaviour has been an evergreen topic. Numerous researches have been done from wide variety of perspectives. However there has been a clear shift from rational outlook into the human behaviour towards social and psychological factors as we move across from previous researches to recent ones. The research in this area is so intriguing that people are still attempting to test and improvise the existing knowledge from different perspective. This study is an attempt to assess the efficacy of the psychographic variable in predicting the consumer behaviour for purchase of a durable product. A refrigerator has been picked for the current study assuming the high involvement of the subjects in this product. The respondents for the study were divided into groups using the AIO profile prevalent in this area as in (Sexena, P. & Pathak, D. P. 2011). It was observed that the Psychological basis i. e. lifestyle of people are quite evident in the buying preferences of the people. People tend to subscribe to the idiosyncratic patterns, characteristic of their groups.*

**Keywords:** Consumer Behaviour, Psychographics, Lifestyles, AIO, Durable Goods

## 1. Introduction

Of late, a clear shift to psychological factors from rational factors is evident in the trend of researches done on consumer behaviour. However, even more recent theories are not able to incorporate the complete knowledge around the consumer behaviour. In the field of application of human psychology to assess consumer behaviour too many contradictory results have been reported by several researchers. Even though challenges for applying knowledge human psychologies to assess consumer behaviour are many but it is quite evident that “consumer purchases are influenced strongly by cultural, social, personal, and psychological characteristics” (Bargh, J. A. 2002). As subconscious processes have reflection in human behaviour (Bargh, J. A., & Morsella, E. 2008) a study of impact of lifestyles on consumer behaviour deserves more studies.

## 2. Literature Review

Consumers will be more attracted to something they can relate to rather than a product way different from their norms. Therefore marketer target Social and Personal factors of consumer behaviour, which are family and lifestyle.

The recent observations on consumer behaviour studies conducted from the psychological and social perspectives supports the idea that the role of subconscious factors, the buying context, alternatives available, heuristics used by consumers, role of feelings, chemistry of consumer's cognitive and affective skills may be incorporated in the formulation of newer models of consumer buying behaviour (Hansen 2005). These recommendations suggest cognitive processing model of human behavior seems to be a plausible and rather better poised foundation for developing advance theories of consumer decision making (Olson 2002) as far as purchase of consumer durables are concerned.

The benefit associate with the model suggested by (Peter and Olson 2002) is that it considers cognitive, affective as

well as environmental factors. This model can further be enriched by adding product specific attributes in decision making. For a customer the internal and external factors associated with the purchasing can be manifested into his decision process through the persons understanding of its self - concept and lifestyle. Each time the purchase is repeated the experiences acquired during the process would in turn update the original learning and attitude formation associated with the previous external and internal influences. The studies have time and again confirmed that while the buyers are pondering over the features and benefits of the products in their decision process on how the product would match his or her needs, it is ultimately they are choosing a product that will also reflect a person's self - concept and his/her lifestyle.

Since a buyer is expected to make his decision within constraints which may be mix of psychological (ulterior) or physical nature therefore the buyer can be expected to some unique patterns in his purchase preferences. Here the role of strategic decision making in customers buying behaviour also becomes important from the point of view of investigation. The role of major strategic decisions have been omitted in several studies, such decisions have huge importance in consumer durable (Bazerman 2001), health issues (Henry 2001) or financial investments (Henry 2005). Buying a durable goods in highly engrossing for a customer as it blocks their economic resources for a long run (Rosenthal 1997). Such product types generally offer rich alternatives in terms of price quality and features (Bayus and Carlstrom 1990) and are relatively well known to customers.

The study of consumer durable also has one advantage that it consumers vary less since they have less chance of trial and error than frequently purchased items (Bazerman 2001).

### Lifestyles and Buying Behaviour of Durable goods

A purchase of Refrigerator is chosen to be appropriate for this study given its durability. One can easily assume that there is a increased level of indulgence of a consumer in their purchase processes associated with purchase of Fridge.

Volume 10 Issue 9, September 2021

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Buyers are usually rather invariably perceive high risk with purchase of refrigerator and are deeply involved therefore the decision process is more deliberative and other parameters of consumer behaviour are more extensive.

The refrigerator in this region of Prayagraj is among the most commonly found and important durable product for any household around. It requires buyer's high involvement and therefore presents a good example of complex and strategic decision making case for purchase, best suited for this study. A refrigerator could very well be able to differentiate people and their way of living. This constitutes the subject matter of the present study.

### 3. Methodology and Research Approach

#### Lifestyle and purchase of Refrigerator

An extensive literature study and focus group study was conducted to understand important factors impacting the buying behaviour of respondents towards the durable product category of refrigerator.

It was observed that the respondents get influenced by wide variety of factors while they make their purchase decisions for a refrigerator keeping in mind their present and future needs and whether the product suits to their understanding of their status and beliefs. These factors can be grouped as external factors like demographic, social, cultural factors etc. and internal factors like need, personality, motivation etc.

Data was collected on a 27 item AIO based Questionnaire selected for the study and samples were collected based on Judgmental Sampling or Purposive Sampling as in (Sexena, P. & Pathak, D. P. 2011). A keen vigil was kept to maintain the proportional presence of demographic factors 30- 40 each representing approximately 4 - 5 lifestyle groupings (approximated through pilot study), so that some tests like Chi - Square test could not be affected. Since there were 9 demographic variables therefore approx. number of sample worked out to be the product of above three figures i.e. around 1000 samples.

A total of Fourteen hundred and thirty questionnaires were collected from all the sources. However, due to incomplete responses on some questionnaires one thousand and thirty six filled in and validated questionnaires were accepted to be used for data analysis.

KMO and Bartlett's Test Kaiser - Meyer - Olkin Measure of Sampling Adequacy yielded a significant figure of 0.696. The auto clustering tool of SPSS was used to find most suitable number of clusters which came to be 4. These four groups formed the four different lifestyle clusters used in the subsequent study.

#### External Factors

Various external factors that have been frequently used in existing studies are listed below. These factors could well be used as external factors that could potentially influence purchase decision of a consumer for a Refrigerator.

- 1) Demographic Details: The Demographic variable like annual income of the family has a great influence on the selection/affordability of brand likewise the climate of

the region may increase or decrease the requirement of refrigerator.

- 2) Marketing Stimuli: the various marketing stimuli include the appeal of advertisement, publicity events, promotional measures by the refrigerator company, ambience of shop, sight of the product, recommendations by brand ambassador, word of mouth propagation etc. the inclination/susceptibility of the subject to the kind of marketing stimuli has a potential to magnify or mould the attitude towards the favourable purchase behaviour.
- 3) Indian Culture: the culture determines the utility of the product say for instance the values prevalent in some of the cultures could discourage the preserving of the prepared food by cooling it in Refrigerator and using it one or two days later. The use of staled food items (though may not be spoiled because of using refrigerator) in some culture may be deemed inferior and therefore should not be served to the guests. Such believe may reduce the use of refrigerator.
- 4) Sub culture (Ethnic Subculture, Occupational Subculture): people belonging to different caste, creed or religion may have different purpose of purchasing a brand of refrigerator as one may prefer some brand of refrigerator because of its prestige appeal, while other prefer large number of features, still some would like to use it as home decor. Working professional: Needs medium capacity range refrigerator. Vegetarians might be looking for refrigerator that have bigger space for storing vegetables where spacious deep freezers might be more sought by non - vegetarians.
- 5) Family: for example a wife is the major influencer for a purchase of a refrigerator. Similarly advices from other family members or close family friends could also play an important role.
- 6) Social Class: the conformity to the expected standard of living of a class of people creates a kind of pressure since people try to purchase goods and use products which show their cherished class or status. A lawyer in Allahabad high court is likely to keep a car irrespective of his affordability because it has become customary and most good lawyers have cars. A refrigerator is must for every household in today's scenario whereas some 30 years ago hardly ever a middle class people had thought about purchasing a Refrigerator.
- 7) Reference Group Celebrity and opinion leader: every person has some aspirations at different point of time in his life. There could be some things/personalities which he/she admires and explores him into that image. Therefore he /she tries to imitate certain behaviour patterns, tries to keep similar belongings so that others may take him/her the way he/she likes therefore people often get influenced by their reference groups like club members, opinion leaders, brand ambassadors, Neighbours, celebrities etc.

#### Internal Factors

For purchase decision of product like refrigerator, these factors include:

- 1) Need (physiological or ulterior).
- 2) Personality attributes: the self - concept of a buyer, buyers inner make - up, source of motivation, beliefs, attitude etc.

- 3) The degree of involvement of the buyer (latent or manifested).
- 4) Emotions towards the Refrigerator:
- 5) Brand personality
- 6) Attitude
- 7) Conformity to self - concept of the buyer:
- 8) Loyalty
- 9) Positioning in the mind of the buyer.
- 10) Media Habits.

**Variables selected for the study**

For selecting the variables for the study, a pilot study was instituted. The observations from the pilot study revealed that the some variables like level of satisfaction, attractiveness; involvement of the subject in the purchase process of Refrigerator either did not led to any demarcation of life style groups or pointed to similar values, by almost every respondent. Similar was the observation with the level of major use of the product and its availability, as such these variables were either not directly employed in the final study or find indirect reference. The various scales included for the study include Likert scale (1 - 5 point), staples scales (-5 - to +5 point) & (1 to 10 point) and the rating scale (1 - 10 point) were used. These find place in section III of the Questionnaire. Following is the list of variables included in the study.

- 1) Attitude/purchase behaviour towards refrigerator
  - Need
  - Features and benefits
  - Quality
  - Level of Involvement
  - Level of Motivation
  - Utility/ Price ratio
  - Affordability/ Price ratio of my next planned purchase (brand)
  - Likely hood of recommendation
  - Status of Brand loyalty
- 2) Preferred sources of product related Information be it a
  - Shopkeeper, sales person
  - Newspaper & Magazine
  - T. V, Radio
  - Friends, Family, Co - workers etc
  - Internet
  - Other promotional inputs (Banners, Hoardings, danglers, pamphlets)
- 3) Choice of a shop/dealer
  - Nearby shop
  - Shop at main market
  - Authorised dealer
- 4) Role of family
  - Initiator of the purchase
  - Decider of the brand/Shop
- a) External source of motivation and motivator
  - i. How much likely you are tempted by these stimuli to purchase a product
    - o Promotional campaigns by companies.
    - o Seeing other customers using the product.
    - o Seeing the products at shop (Impulse Buying).

- ii. How much significant is the role of these people in influencing your purchase decision
  - o Salesman
  - o Formal groups (Neighbors/ Society/colleagues)
  - o Brand Ambassadors
  - o Family
  - o Informal groups (Friends)
- b) The preference for the following attributes by a respondent in choosing a brand of a refrigerator.
  - Looks/ colour/appeal
  - Brand Image (reliability, longevity, after sales service level etc)
  - Price
  - Status value (social conformity)
  - Promotional appeal
  - Performance (cooling, low noise level, Electricity Consumption)
  - Utility
  - Availability of high tech features (like frost free)
  - Size/ volume/ compartments/doors

**Attitude/purchase behaviour towards refrigerator**

To understand the perception of people towards refrigerator two problems must be addressed first, whether the people classified in different lifestyle groups show different perceptions towards the selected variables? Second, how much strong the association is, if the people belonging to different lifestyle groups show different perceptions?

The first question could be addressed by hypothesizing that:  
 $H_{null}$  1.1: The people with different lifestyles come from the same population and therefore have similar perception level on the need for refrigerator.

$H_{null}$  1.2: The people with different lifestyles come from the same population and therefore have similar perception level on the feature and benefits pertaining to refrigerator.

$H_{null}$  1.3: The people with different lifestyles come from the same population and therefore have similar perception level on the quality assessment of refrigerator.

$H_{null}$  1.4: The people with different lifestyles come from the same population and therefore have similar perception level on their level of involvement in purchasing a refrigerator.

$H_{null}$  1.5: The people with different lifestyles come from the same population and therefore have similar perception level on their level of motivation while purchasing a refrigerator.

$H_{null}$  1.6: The people with different lifestyles come from the same population and therefore have similar perception level on the utility of refrigerator by price ratio.

$H_{null}$  1.7: The people with different lifestyles come from the same population and therefore have similar perception level on affordability by price ratio.

$H_{null}$  1.8: The people with different lifestyles come from the same population and therefore have similar perception level on their likely hood of recommendation of their preferred brand of refrigerator.

$H_{null}$  1.9: The people with different lifestyles come from the same population and therefore have similar perception level on brand loyalty for their preferred brand of refrigerator.

## 4. Data Analysis

**Table 1:** Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Need	34.789	3	1032	0
Benefits Perceived	142.731	3	1032	0
Quality Perceived	53.045	3	1032	0
Involvement Level	25.402	3	1032	0
Motivation Level	10.644	3	1032	0
Utility/Price	14.282	3	1032	0
Affordability/Price	258.427	3	1032	0
Product Recommendations	4.105	3	1032	0.007
Brand Loyalty	22.508	3	1032	0

**Table 2:** Test Statistics<sup>a, b</sup>

	Need	Benefits Perceived	Quality Perceived	Involvement Level	Motivation Level	Utility/ Price	Affordability/ Price	Product Recommendations	Brand Loyalty
Chi - Square	157.247	111.549	169.819	38.618	46.566	35.312	24.606	171.903	252.768
df	3	3	3	3	3	3	3	3	3
Asymp. Sig.	0	0	0	0	0	0	0	0	0
a. Kruskal Wallis Test									
b. Grouping Variable: TwoStep Cluster Number									

## 5. Findings and Conclusion

Homogeneity of Variances test shows Levene statistic with  $p < .001$  thereby rejects the null hypothesis associated with it that the people belonging to different lifestyle groups have homogeneity in their variances therefore ANNOVA either could not be employed or the results of the ANNOVA could be misleading. The non - parametric equivalent of ANNOVA is Kruskal Wallis test. It does not assume homogeneity of population and test the difference of rank instead of means and the structure of the scale also support the use of non - parametric test.

Kruskal Wallis test with P value less than 0.001 rejects all the null Hypothesis from  $H_{null} 1.1$  to  $H_{null} 1.9$  and establishes that the people in different lifestyle do differ in their perceptions about refrigerator, measured on above parameters. The Kruskal Wallis test reinforces the results of ANNOVA. The resultant lower Chi - Square values at 3 degree of freedom in the case of Involvement in the purchase of refrigerator, motivation level of people and the Affordability/ Price level of people purchasing refrigerator, indicates the lesser difference among the groups. It can be assumed that the people in Prayagraj share, to some extent, the similar level of the perception in motivation level and involvement in purchasing the refrigerator that means the refrigerator is indeed a high involvement product. Similar is the case with Utility/ Price level perception of refrigerator and the perception of Affordability/ Price level of people purchasing refrigerator in different lifestyle group. For the people of Prayagraj it appears that the price matters relative to utility alike. The marketers must accordingly adopt the marketing strategies, sensing the complex buying behaviour of the people in Prayagraj.

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