Indian Consumer and MNCP Goal Congruency

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Abstract: *Goal-derived categorization theory has important implications for the conditions under which measures of product similarity are most likely to be related. It suggests that consumers will respond differently to measures of product similarity when the goals associated with products are incongruent. International technology was far too sophisticated for the Indian market with the borders opening up, with international products coming in, people are seeing segments that they have never seen before. Every company that had entered the market since 1992 had eyed the 150 – million middle class market To investigate the role of attitude towards MNCP goal congruency in explaining urban household consumption behaviour towards M.N.C.P. General approaches to the measurement of product similarity have been proposed. Feature-based typicality measure, usage based similarity measure, Affective and purchase Intent Measure, Goal derived categorization measure, Familiarity and experience measure. All five rest on sound theoretical foundations in cognitive psychology. These five approaches differ in how they operationalize and measure similarity. They also differ in their explanation of how similarity influences the purchase intent and attitude towards MNCPs. The study was exploratory in nature. The locale of the study was the twin cities of Hyderabad and Secunderabad of the State of Andhra Pradesh. The total sample sizes of 300 were selected by using stratified random sampling techniques.100 each belonging to three income categories viz HIG,MIG and LIG. An interview schedule was designed for the purpose of collection of data from the respondents. For gathering information the following five scales were developed.- Consumer product susceptibility and innovativeness Scale (CPSIS) ,The Consumer Ethnocentrism Scale (CES),The Goal Congruency Scale (GCS),Product Influence on Attitude Scale (PIAS),The Enculturation – Acculturation Scale (EAS). When there was higher level of susceptibility – innovativeness, expenditure, pattern, product influence on attitude, MNC concern for customer's satisfaction than in this case higher was the level of MNCP goal congruency. With increase in income and educational status, there was also increase in MNCP use segmentation level.*

Keywords: Goal Congruency , MNCP- Multinational company products, Consumer Ethnocentrism, Enculturation – Acculturation, susceptibility and innovativeness

1. Introduction

Goal-derived categorization theory has important implications for the conditions under which measures of product similarity are most likely to be related. It suggests that consumers will respond differently to measures of product similarity when the goals associated with products are incongruent. Congruent goals provide an organizing framework for categorization. Five general approaches to the measurement of product similarity have been proposed. Feature-based typicality measure, usage based similarity measure, Affective and purchase Intent Measure, Goal derived categorization measure, Familiarity and experience measure. All five rest on sound theoretical foundations in cognitive psychology. These five approaches differ in how they operationalize and measure similarity. They also differ in their explanation of how similarity influences the purchase intent and attitude towards MNCPs. Feature-based similarity emphasizes measures of shared product characteristics that are more tangible. Such relatedness is hypothesized to facilitate the purchase intent and attitude towards MNCP. This conceptualization of product similarity and the associated measures rest on the theoretical foundations of Tversky (1977) and Fiske and Pavelchak (1986), among others, who emphasize feature-based similarity as the basis for categorization and the transfer of affect.

Price as a cue to product quality has interested many researchers (Andrews and valensi 1971; Geistfeld, 1982; Jacoby, Olson and Haddoch, 1971 sproles, 1977. Wheatley and chieu, 1977). Research has consistently shown that price tends to communicate quality to the consumer and will be used in the absence of other clear quality indicators (Ricz, 1978). In addition, price will also be used as an indicator of quality when the consumer is unfamiliar with the product (Sproles, 1977).

The widest the range of choices for the consumer whether in kind or cost the higher the likelihood of his entering a category, though in India, it is the price that is the key to large volumes. (Khalap 2004).

2. Method

The present study was exploratory in nature. The locale of the study was the twin cities of Hyderabad and Secunderabad of the State of Andhra Pradesh. The total sample sizes of 300 were selected by using stratified random sampling techniques.100 each belonging to three income categories viz HIG,MIG and LIG. Two types of variables were consider for the study namely dependent variables and independent variables. The independent and dependent variables considered in the present study are:-

Table 1

Independents variables	Dependent variables	
• Type of occupation	▪ Market Segmentation	Use Related Segmentation & Usage situation Benefit Segmentation
• Age	▪ Personality	Innovativeness and Susceptibility Ethnocentrism
• Education	▪ Perception	Product perception Perceived risk
• Monthly Family Income	▪ Enculturation & Acculturation	
• Family Size	▪ Product Information	
• Type of Family	▪ Expenditure Pattern	

An interview schedule was designed for the purpose of collection of data from the respondents. It comprised of two sections. For gathering information related to goal congruency five scales were developed—viz Consumer product susceptibility and innovativeness Scale (CPSIS) ,The Consumer Ethnocentrism Scale (CES), The Goal Congruency Scale (GCS), Product Influence on Attitude Scale (PIAS),The Enculturation – Acculturation Scale (EAS).

3. Results

It is evident that, majority of the sample (64%) were in the age group "up to 35", out of which 32% belongs to low Income group. Out of the total population 33% were graduates followed by post graduate 25 percent, illiterate 18 percent and 14 percent completed their doctoral one interesting finding was that out of 25 percent of respondents who was having post graduates degree 52 percent of them belongs to middle income group family. 18 percent of the respondents who were illiterate belongs to lower income group family. It was found that not a single respondent belonging to middle income group were involved in self employment.

Perceived similarity plays an important role in the transfer of knowledge and affects from one stimulus to another. Five general approaches to the measurement of product similarity have been proposed. Feature – based typicality measure, usage based similarity measure, affective & purchase intent measure, goal derived categorization measure, familiarty & experience measure. These five approaches differ in how they operationalize and measure similarity. All five rest on sound theoretical foundation in cognitive psychology.

4. Relationship between Goal Congruency Personal, Family and other Dependent Valuables

The analysis of data stated the relationship between goal congruency, dependent and independent variables. It has been shown in the following tables.

Table 1: Relationship between Independent Variables and Goal Congruency among consumers

Sl. No	Independent Variable	'r' Value			
		LIG	*MIG*	*HIG*	*Overall*
1.	Age	-0.152	- .509**	-.358**	-.198**
2.	Income	0.108	-0.044	.297**	.378**
3.	Family Type	.311**	-0.133	0.102	.104*
4.	Family size	.291**	-.356	0.089	-0.011
5.	Respondent's Education	0.116	0.195	.266**	.313**
6.	Respondent's Spouse Education	.263**	0.086	-0.140	.327**
7.	Respondent's occupation	.381**	-2.56	0.078	-.119*
8.	Respondent's spouse occupation	1202	-.237	0.049	-0.078

The data in the table inferred the relationship between independent variables and attitude of consumer towards product goal congruency. Age, income, family type, respondents as well as spouse educational status and respondent's occupation status has significant correlation with consumer's attitude towards goal congruency of product. Out of all these independent variables only age & occupation has negative significant correlation with attitude towards goal congruency of products. With the increase in age and occupational status of respondent the attitude towards MNCp's goal congruency started deteorating. It shows with increase in age, occupational status the level of products goal congruency started decreasing.

The further probing of data revealed that higher the Economic status, educational status the higher was the attitude towards products' goal congruency among consumer.

Table 2: Relationship between Goal congruency and dependent variables

Sl. No.	Independent Variable	'r' Value			
		LIG	*MIG*	*HIG*	*Overall*
1.	Susceptibility and innovativeness	.249*	.531*	-0.054	.366*
2.	Ethnocentrism	.528*	0.001	-0.153	0.28
3.	Information package	-.293*	.277*	0.042	0.037
4.	Expenditure Pattern	.537*	0.183	-.402**	.218**
5.	Product Influence on Attitude	.288**	.201*	0.007	.182**
6.	Enculturation – Acculturation	-0.102	-0.071	-.393**	.014
7.	Shift in consumption	-0.0770	0.173	0.084	.007
8.	MNC concern for Customer's Satisfaction	.294**	.375**	-0.170	.222**
9.	Quality of Indian Product visa-vis MNC	-.351**	0.105	0.129	.137*
10.	MNC Attributes in Comparison With Indian Products	0.177	-.246*	0.061	-0.005
11.	Multinational Company Product Use Segmentation	.473**	.456**	0.131	.467**
12.	Origin of Product	-0.155	0.049	-0.185	-.119*
13.	MNCp appropriateness	-0.130	-0.075	.321**	0.036

The above table presents the relationship between goal congruency and other dependent variables among consumers. Among dependent variable susceptibility – innovativeness, expenditure pattern, product influence on attitude, MNC concern for consumer's satisfaction, and MNCp use segmentation had a positive significant relationship with attitude towards products' goal congruency. The result can be attributed to the fact that the higher the level of susceptibility – innovativeness, expenditure pattern, product influence on attitude, MNC Concern for customer's satisfaction, the favorable was the attitude towards MNCp goal congruency.

Further observation of the above results indicates that there was negative significant relationship between attitude towards quality level of Indian product vis a vis MNC and MNCp goal congruency level. The favorable was the attitude towards quality level of Indian product vis a vis MNC, the more negative was the attitude towards the level of MNCp goal congruency among consumers.

When the consumers are more vigilant about the origin of product while purchasing any product in that case their attitude towards MNCp goal congruency level was low.

5. Conclusion

Age, income, family type and respondents educational status has significant correlation with consumer's attitude towards goal congruency of products. Higher the level of susceptibility – innovativeness, expenditure, pattern, product influence on attitude, MNC concern for customer's satisfaction than in this case higher was the level of MNCP goal congruency with increase in income and educational status, there was also increase in MNCP use segmentation level.

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