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Consumer decision making styles of young adult consumers in India

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Abstract

The present study aims to identify decision making styles of young Indian consumers in the age range 18 to 21 years and to see if these styles are similar to those found in previous research studies. Consumer styles inventory (CSI) developed by Sproles and Kendall's (1986) was administered to 206 undergraduate college students in Pune, India. Data was factor analysed by Principal Component Analysis (PCA) using Varimax rotation. The reliability of the factors was tested by computing Cronbach alpha coefficients. The original U.S eight factor model could not be confirmed completely, but support was found for six decision making styles namely recreational, brand conscious, novelty- fashion conscious, perfectionist-high quality conscious, Habitual brand-loyal consumer orientation and confused by over choice. Shopping avoidance-Time saver a new factor specific to this Indian sample was found. The implications of the study are discussed and explanations for similarities and differences in the findings are provided.

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1. Introduction

A marketer needs to be aware of the factors influencing the purchase decision of the consumers in order to implement effective market segment strategies. Young-adult consumers in the age range 18-21 years today form a major part of the market segmentation and it is necessary to study the psychology of these consumers, what affects their shopping behaviour and understand their decision making styles. Young-adult consumers in India are an

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important centre point for consumer research for several reasons. Firstly according to the 2001 census, 41% of the Indian population account for less than 35 years of age. The young consumers entering adult hood have their own unique consumption patterns which are affected by their personality, attitudes, values and behavior. They are in the process of identity formation and hence buy to define themselves (Holbrook and Schindler 1989). In India one also sees a sea change in the market structure with globalization since the last decade .A young Indian consumer today has more choices than ever before. The Generation Y and Z are more technologically aware and driven. They are in general more conscious and have the power to influence the market through their decisions when confronted with choices in the market. They are radical agents of change who influence the society and culture (Leslie, Sparling and Owen, 2001; Waite, 2003).). Today's youngsters are often seen affecting family purchasing decisions. They love to consume, are ready to experiment and are aware of their experience (Sproles and Kendall, 1986). They form a powerful spending group and are a specialized market segment. (Grant and Waite, 2003).

However the problem of “plenty” with regards to availability of goods and services makes decision-making more complex than ever for consumers in India. Hence it is necessary to study and identify the behavioural patterns and decision making styles for Indian consumers. Fan, et al. (1998), have suggested that comparing decision-making styles of consumers from different countries will contribute to the understanding of the effect of market environment as well as cultural factors on consumer decision-making styles. The purpose of this research is to investigate the decision-making profile of young college going consumers in India and to examine the applicability of Consumer Style Inventory (CSI) designed by Sproles and Kendall (1986) to measure Indian consumer decision-making styles. There have been many studies conducted to profile these decision-making styles (Sproles, 1985; Hafstrom et al, 1992; Westbrook and Black, 1985). Consumer behavior specialists, advertisers and marketers will be keen to use such profiles to understand a consumer's shopping behavior. It will help position and advertise their products according to consumer segments.

2.Consumer Decision Making Styles

Consumer decision-making styles influence the attitude and behavior towards shopping. Consumer decision making styles are “basic buying-decision-making attitudes that consumers adhere to, even when they are applied to different goods, service or purchasing decisions” (Walsh et al. 2001). It can also be defined as “as a mental orientation characterizing a consumer's approach to making choices” (Sproles and Kendall, 1986, p. 267). Sproles and Kendall (1986) view this construct as “basic consumer personality”, similar to the concept of personality in psychology.

The literature suggests three ways to understand consumer decision-making styles, namely, psychographic approach, the consumer typology approach and the consumer characteristics approach (Sproles and Kendall 1986). The consumer characteristics approach focuses on the mental orientation of consumers in making decisions and hence is the most powerful approach to consumer studies. This approach identifies the general orientation that consumers have towards shopping and buying which helps in determining the decision making styles. To understand consumer characteristics it was Sproles (1985) who developed an instrument of 50 items to measure general orientations towards shopping and buying. He gave nine decision making styles out of which six decision making styles were confirmed using principal component analysis with varimax rotation. Sproles and Kendall (1986) developed the Consumer Style Inventory (CSI) a more parsimonious version of the original scale using 40 items to measure consumer decision-making styles. They proposed that consumers approach the marketplace with specific styles of decision-making. According to Sproles & Kendall(1986) identifying such characteristics help in profiling an individual consumer style which can be used to further influence them. Through empirical research, they identified eight categories of decision-making styles: Perfectionistic; Price-Value Consciousness; Brand Consciousness; Novelty-Fashion Consciousness; Confused by Over choice; Recreational Shopping Consciousness; Impulsiveness; Habitual, Brand –Loyalty. Since the study was based on sample of US high school students, Sproles and Kendall (1986) recommended validating the instrument across other populations before using it for consumer profiling. There have been numerous studies that have used the CSI which have resulted in different findings than the original study indicating cultural differences (Canabal, 2002; Fan and Xiao, 1998). Fan and Xiao (1998) used Sproles and Kendall (1986) Consumer Styles Inventory to see if the consumer decision-making styles were generalizable to Chinese consumers. Their findings suggested that the decision-making styles of Impulsive/Careless and Habitual/Brand Loyal were not characteristic of the Chinese sample. Similarly a study on German consumers in the age range 18 and above confirmed six factors of the original US study. However a new factor of Variety seeking

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