Research Paper Commerce

Decision Making Styles of Young Adult Consumers in Chennai City: an Exploratory Study of Gender Differences

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ABSTRACT

As India has undergone dramatic change in its retail markets since economic liberalization in 1992, the decision making by consumers is becoming increasingly complex. Prior to liberalization consumers in India had restricted choice in the retail environment reflecting the closed nature of their marketing systems. But with liberalization the consumers now experience a more modern marketplace and the unprecedented abundance of brands and retail outlets has created a massive array of choice for consumers coupled with the rise in the population of young consumers. Hence, in this study an attempt was made to analyse the decision making styles of young adult consumers in Chennai city and to explore the differences if any, in the decision making style of the gender with regard to the variables taken for the study.

KEYWORDS Liberalization, young consumers, decision making style, customer style inventory, retailer.

Introduction:
The retail stores are not a new entity, they have been in this globe from the early 50's and in India they have been showing their existence in diverse forms like Departmental Stores, Super Markets, Discount Stores, Hyper- mart, Shopping Malls etc. Indian retailing is undergoing a process of evolution and is poised to undergo dramatic transformation. The Indian Retail growth can be attributed to the several factors including increasing instances of double incomes in most families coupled with the rise in spending power, increasing use of credit cards for categories relating to clothing, electronic goods, groceries etc., increased urbanization and above all due to liberalization and demography dynamics . i.e. Approximately 60 per cent of Indian population below 30 years of age. The young consumers in India are the major beneficiaries of the retail revolution. In this context young adult consumer decision making is of great importance for the marketers who are interested in serving their needs. Hence, there is a need for a study in this area in India. In this study an attempt was made to explore the decision making styles of young adult consumers in Chennai city.

Review of Literature:
Decision making can be defined as a style by which consumers recognize their desires, appraise alternatives and take decision. These decisions are influenced by psychological, economical, social and cultural factors. According to the study done by Durvasula, Lysonski and Craig (1993), decision making style is a mental orientation of consumers in describing how they make their choices. Sproles & Kendall (1986) has developed Consumer Style Inventory (CSI) and it was used by many researchers to study the consumer decision making styles. Some of the researches are briefly described below.

Hiu et al. (2001) by administering the CSI to 387 adult consumers in China has found that five decision-making styles are applicable and reliable in Chinese culture. These styles were high quality conscious, fashion conscious, hedonistic shopping conscious, price conscious, and confused by over choice.

Canabal, M.E. (2002) using data collected from 173 college students from two institutions of higher education in the city of Coimbatore, South India, investigated their decision making styles using Customer Style Inventory. And he identified five decision making styles namely Brand Conscious Style, High Quality Conscious Style, Confused by over choice Style, Brand Indifferent Style, and Recreational Shopper Style.

Statement of the Problem:
As India has undergone dramatic change in its retail markets since economic liberalization in 1992, the decision making by consumers is becoming increasingly complex. Prior to liberalization consumers in India had restricted choice in the retail environment reflecting the closed nature of their marketing systems. But with liberalization the consumers now experience a more modern marketplace and the unprecedented abundance of brands and retail outlets has created a massive array of choice for consumers coupled with the rise in the population of young consumers. Providing even more stimuli is the seemingly endless barrage of advertising, offers, etc. persuading the young consumer to buy. With the emergence of electronic forms of product display and availability of mobile applications, the complexity of decision making has accelerated to even higher levels of intensity. Therefore the retailers and marketers need to know the decision making style of the young consumers to be more strategic in their approach.

Objectives of the Study:
1. To examine the decision making styles of young-adult consumers.
2. To segment the young-adult consumers on the basis of their style of decision making.
3. To determine the gender influence on their style of decision making.

Methodology:
The study used a survey method. Data were collected from 340 students in Chennai city. The time period of study was from October 2014 to December 2014.

A structured questionnaire was developed to analyze the decision making styles and the variables for the study were adapted from Consumer Style Inventory (CSI) developed by Spores and Kendrall (1986), Sporles and Sporles (1990) and also from various other articles.

Data collected were analyzed using the statistical package for Social Sciences (SPSS). Factor analysis was used. The main application of this technique is to find the structure in relationships between variables and also reduce the number of varia-

bles of factor reduction

Demographic Profile of the Sample:
The sample consisted of 203 males and 137 females. Respondents fall in the age group of 18 to 22.

Decision Making Styles:
Factor Analysis was adopted to capture the decision making styles of the young adult consumers. KMO-Barlett measure of sampling adequacy was used to test appropriateness of the factor analysis.

Table 1:

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.702
Bartlett's Test of Sphericity	Approx. Chi-Square	3933.827
	Df	741
	Sig.	.000

The above table shows that the index for this data is 0.702 and the chi-square statistics is significant (<0.05). Therefore principal component analysis is appropriate for this data.

Table 2:
Factor Analysis - Rotated Component Matrix[a]

Price consciousness.	.367							
The lower price products are usually my choice								
I look carefully to find the Best Value for the money	.602							
I should plan my shopping more carefully than I do	.587							
I take time to shop carefully for best buys	.536							
I carefully watch how much I spend	.615							
Brand consciousness								
The well-known national brands are best for me		.763						
The more expensive brands are usually my choice		.619						
The higher the Price of the product, better the quality		.716						
Specialty stores offer me the best product								
I prefer buying the best-selling brands.		.663						
The Most Advertised Brands are usually very good choices		.348						
		.597						
Novelty- Recreation - fashion consciousness								
I usually have one or more outfits of the very Newest Style			.722					
I keep my wardrobe up to date with the changing fashions follow			.564					
Fashionable attractive styling is very important for me			.489					
It's fun to buy something new and exciting			.577					
Going shopping is one of the enjoyable activities of my life			.644					
I enjoy shopping just for the fun of it			.465					
Quality consciousness								
Getting very good quality is important for me				.760				
When it comes to purchasing products, I try to get the very best or the perfect choice				.791				
General, I try to buy the best overall quality				.663				
I make special effort to buy best quality product				.468				
My Standard and expectations are high				.385				
Time consciousness					.408			
I really don't give my purchases much thought or care					.657			
I shop quickly, buying the first product or brand I find that seems good enough								
Shopping is not a pleasant activity to me.					.670			
Shopping the stores wastes my time					.594			
I make my shopping trips fast					.691			
Confusion over choice.								
There are many brands to choose from that I often feel confused						.456		
Sometimes it is hard to choose which store to shop						.538		
The more I learn about the products, the harder it seems to choose the best						.535		
All the information I get on different products confuses me								
						.599		
Habitual, brand loyal								
I have favorite brand I buy over and over							.350	
Once I find a product or brand, I Stick with it							.742	
I go to the same stores each time I shop							.662	
Impulsiveness								
I am impulsive when purchasing								.586
Often I make careless purchases I later wish i had not								.490
I Change Brands I buy regularly								.397

Method: Principal Component Analysis. Extraction Rotation Method: Varimax with Kaiser Normalization a.Rotation converged in 11 iterations, Cumulative variance = 60.287

Factor analysis on all the variables taken for the study reduced the dimensions of study to eight factors.

The variables buy at lowest price, best value for money, plan the shopping, careful shopping, careful on spending are highly correlated and contribute to a single component which may be said to be **price consciousness.**

Well known national brands, Expensive brand, specialty stores, best selling brands, most advertised brands contribute to the second component and may called as **brand consciousness.**

Newest style, follow fashions, fashionable styling, variety lover, fun to buy, enjoy shopping and just for fun contribute to the third component may be called as **Novelty-Recreation -fashion consciousness** .

Component four includes variables such as very good quality is important, get the very best product , buy the best overall quality, special effort to buy the best quality product, standard and expectations are high and thus it may be said to be the ***quality consciousness*** .

The component five may be termed as **time consciousness** as the variables such as shop quickly, shopping not pleasant , waste of time, fast shopping trips and don't give much

thought and care are highly correlated.

The variables such as confused with many brands, hard to choose stores, research does not help in choosing, information of product confuses are closely correlated and may be said as ***Confusion over choice.***

Component seven may be said to be the ***Habitual, brand loyal*** as the component has highly correlated variables such as brand follower, stick to the brand and store**.**

Impulsiveness includes variables such as impulsive while purchasing, careless purchasing and change brands in component eight.

T test was done to explore whether there is any differences in the consumer decision making style of the gender with regard to the variables taken for the study.

Table 3:
Independent sample t test

	Gender	Mean	F	Sig.
I usually have one or more outfits of the very Newest Style	Male Female Female	3.02 3.26 3.01	5.092	.025
I enjoy shopping just for the fun of it	Male Female	2.90 3.73	7.303	.007
I take time to shop carefully for best buys	Male Female	3.32 3.49	9.508	.002
Sometimes it is hard to choose which store to shop	Male Female	3.19 3.40	6.934	.009
Once I find a product or brand, I Stick with it	Male Female	3.24 2.99	3.938	.048

A significant difference was shown (p<.05) for variables such as **I usually have one or more outfits of the very Newest Style, I enjoy shopping just for the fun of it, I take time to shop carefully for best buys, Once I find a product or brand, I Stick with it, sometimes it is hard to choose which store to shop** between the gender.

The mean values indicate that female respondents agreement towards the above variables is stronger than male respondents except 'sometimes it is hard to choose which store to shop'.

Findings:
The factor analysis retained 37 items out of 39 items taken for the study. the analysis derived eight factors such as (1) price consciousness (2) Brand consciousness (3) Novelty- recreation – fashion consciousness (4) Quality consciousness (5) time consciousness (6) Confusion over choice (7) Habitual brand loyal (8) Impulsiveness. When comparing with the eight dimensions specified by Sproles and Kendall, the study undertaken at Chennai confirms six dimensions such price, brand, quality, confusion brand loyal and impulsiveness. The two dimensions such as Novelty Fashion consciousness and Recreation Fashion consciousness have been grouped into one and thus named as Novelty – Recreation – Fashion consciousness. A new dimension was seen in the young adults in Chennai that is Time consciousness.

The shopping style differs between the male and female respondents only with regard to I usually have one or more outfits of the very Newest Style, I enjoy shopping just for the fun of it, I take time to shop carefully for best buys, Once I find a product or brand, I Stick with it and sometimes it is hard to choose which store to shop.

Conclusion
The study has derived eight dimensions in the shopping style of young adults. The new dimension derived as compared to the Sproes and Kendall study is time consciousness. These consumers purchase only for their need and shop very quickly. This study will help the marketers to understand the decision making style of the young adults towards the purchase of goods or services.

As the Indian population is dominated by young adults this study will be of great use to the marketers.

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