

CHAPTER 2

REVIEW OF LITERATURE

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2.1 Introduction:

Several researchers have attempted studies on buying behavior on consumer electronics, digital cameras, home appliances, laptops, PDAs, mobiles and like are being studied with varied aspects of buying by the consumers. Demographics and celebrity impacts in particular are found to be investigated in details, while some have attempted for technical details for buying the digital cameras and electronic goods.

2.2 Review of Literature:

The study about the relationship between Demographic profiles and purchase behavior of consumers are approached by few researchers as follows.

(Boonlertvanich, 2009) Carried out survey to see whether the consumer behavior differs where new technology products are concerned. High technological markets are categorized as complex, in addition to shorter life cycles due to technological changes, with focus on digital camera buyers in Thailand. Foundation being the consumer style inventory (CSI) by adding three more factors including media influence, social influence and lifestyle. From among 509397 undergraduate students from Bangkok University, 400 samples were surveyed by distributing the questionnaires, focusing on relationship among age, gender, income and other factors with eight styles of consumer decision making. Factor analysis confirmed that most of them were not interested on future purchase of digital cameras but were looking for low price digital camera when they wanted to purchase the new one. Interestingly low income groups too owned digital cameras, on the other hand high income groups were more into spent less money either on purchasing or planning on future purchase of digital camera, indicating income level seemed to influence the amount spent. Participants who had low monthly incomes were more likely to have spent more money either on purchasing or planning on a future purchase of digital camera.

(Kim, 2003) Conducted study on which factors affect on adoption of (PDA) that is Personal Digital Assistant, at University of Florida with undergraduate students from university, surveying the distributed questionnaires with personal administration at classrooms through convenient sampling method, 218 samples were studied, with valid 191 samples for further consideration. Providing subjects with basic information about

(PDA). Focus of the study was setback for sales for PDAs in Korea, a leading country known for information technology, sales which were not expected to go down by many experts and analysts. Study tried to find out causes for decline in sales with some insights into adoption factors by consumers for PDA. Variables studied for the purpose were awareness, ownership of PDA, expected cost, relative advantage, compatibility, complexity, trial ability, ownership of new technological products, personal innovativeness, perceived importance of functions, perceived uncertainty, attitude towards PDA and purchase intentions. Multiple regression, stepwise regression analysis, discriminant analysis and t-test were used for analysis which showed that difference between demographic characteristics was very little between high purchase group and the low purchase intention groups indicating demography was little role to play for adoption intentions of PDA.

So, demographic factors are most relevant for investigation in this study.

From above discussion, demography seems not always affecting purchase decision from customer's point of view. Thus, it is hypothesized that:

Ho: Demographic factors do not have any impact on selection of brand of digital camera.

Few specific studies on celebrity endorsements with various products and their influences on consumers with respect to positive and negative as well have been carried out to see their impact on decision making by customers.

(Lisbygd, 2010) Conducted study by building the theoretical framework with respect to the celebrity endorsement of lady Gaga by Polaroid corporation and implications of positive and negative information known to customers and overall image a brand will be seen with. The focus of the study was, what are the implications of new and established corporations respectively when introducing a celebrity to endorse their brand. Tangible case studies have been accounted for implications of celebrity endorsements and power of media, then Polaroid's opportunities and challenges were stated built on relevant theories supporting it. In case of negative celebrity information, new corporations face relatively larger risk of damaging the brand image and value than that of well established corporations, as it is difficult to build brand image and value overnight. Negative news about celebrity may reduce celebrity's allure and therefore the appeal the brand celebrity had endorsed. If brand associations rests upon multiple factors like country of origin,

organizational associations, symbols, other celebrity endorsers and more the brand will stand stronger against negative celebrity information.

(Hunter, 2008) Conducted experiments on first year Business students in University in Sweden using 3x2 factorial between subjects randomized experiment with a pretest-posttest plus control group design. Participation was voluntary, with provision of six packages provided including basic information, demographic questions, celebrity advertisement, questionnaire etc. The attitudes and variables were tested using Mackenzie, Lutz, and Belch's scale, some on seven point semantic differential scales, hypothesis test on paired t-test and univariate analysis of variance. Experiment concerned on main question of not just endorsement of brands by celebrity but partnering with celebrity and giving the position in the organization for the purpose of creating the image of the organization as like of celebrity, but what if negative information about misbehaving celebrity will do the image of organization and the brand being risked at. When negative information of misbehaving celebrity is known to consumers it will affect negatively towards new ventures and it becomes even more sour when they know that celebrity is not only the endorser but a entrepreneur himself. Under such circumstances negative information might reflect negatively on company as well.

(Peter Ling, 2008) Surveyed on the Impact of celebrities on brand decisions of Hong Kong University students with 180 questionnaires being distributed through snow-ball sampling method with 129 returns, 29 close and open ended questions being asked on favorite celebrities, perceptions of celebrity endorsers, impact of celebrity scandals, celebrity-endorsed brands, endorsed brands bought. Celebrities can popularize brands but can also lack integrity if they are perceived negatively, such as not using or believing the endorsed product. Multiple brands endorsed by celebrities does not benefit as consumers remember the celebrity but not the brand being endorsed.

(Sanyukta A. Kulkarni, 2005-07) Studied on the multiple celebrity endorsements impact on the perception of consumer on endorsed brands and products. Both positive and negative aspects are studied on the basis of 'Source Credibility Theory, Source Attractiveness Theory and Meaning Transfer Theory'. Number of products the celebrity endorses may affect negatively on purchase intentions from consumers point-of-view of endorser and advertising itself. As many as four brands endorsed celebrity likeability, celebrity creditability may get attenuate. Example of Amitabh Bacchan being evaluated with respect to multiple brands he endorses creates doubt for the brands perception being

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of just for the sake of advertisement he is being contracted affects negatively while buying. Although celebrity endorsements have a positive impact of being getting noticed by consumers from other competitors and for recall purpose with connecting to varied classes of segments through psychographic and demographic connections, their seems another side as mentioned above. While some brands and marketing companies like Hindustan Unilever, Procter and Gamble do not believe in celebrity endorsements, instead projecting common people gives them the edge of being their kind of brand, like Dettol, Lifebuoy, Wheel, Fevicol, Close-up etc. are created and long being in market without any celebrity endorsements.

From above, celebrity endorsement not always yields positive effects expected by marketers, as also it can be negative as well, and keeping the fact that people knowing their celebrity status do not always believe for product or service they endorse is qualitative always and make that effect for purchase consideration.

Few studies have gone into finding out of determinants for technologically advanced products and determination of factors for adoption of durable technological products, how consumers form beliefs and associate with future purchase options and decisions.

(Szarzecz, 2009) Conducted ministerial research project on the most significant purchase determinants for technologically advanced products in Poland through questionnaire research through direct interviews within households of the sample of 760. Eight technologically advanced products and services constituted the subject scope of the research, i.e.: a digital camera, GPS navigation device, Internet bank account, home entertainment system, DVD player, MP3 Player, USB flash drive and LCD television screen. The determinants of a diffusion process include: innovation features, channels of communicating innovation³, social environment and the entity which adopts innovation. Consumers list the following factors among the most significant purchase determinants for technologically advanced products: comfort, new needs and new functionalities. Price is of medium significance for them in comparison to other determinants. Consumer behavior in the scope of purchase is determined not only by economic factors (income) but also by demographic ones {mainly sex and education. The significance of other people's opinion (friends and family) is of larger significance than fashion and advertisement in the purchase process.

(Hitsch, 2011) Conducted online survey of 1000 respondents on estimating of durable goods adoption decisions from stated choice data. Study was conducted the first study on February 18, 2009, terminating it on February 20, 2009 after 1000 respondents completed the survey¹. A fraction was randomly sampled from the Market Tools panel, while the remaining fraction was obtained using over sampling based on expressed interest in high definition products. Over sampled on HD interest to ensure that sample would contain at least a non-trivial set of potential consumers for the BluRay technology. Each respondent was exposed to 2 blocks and answered 4 questions in each block, resulting in 8,000 choices. The second study on February 24, 2010, terminating it on February 28, 2010 after 505 respondents completed the survey. Durable goods adoption decisions are complicated to model because of the inherent intertemporal substitution between buying in the present versus buying at a future date. Therefore, consumers' adoption decisions depend not only on their preferences among alternative products, but also on the extent to which they discount future utility flows and on their subjective expectations about future market conditions, such as future prices. First, the findings suggest that conjoint surveys for durable goods should be augmented to allow for forward looking behavior. Second, such surveys should allow the discount factor to vary freely as evidence suggests more impatience than is typically assumed. In practice, a consumer may not have access to expert forecasts or may have, at best, imperfect information. The study focused on how the consumers form beliefs of future market outcomes and incorporate these beliefs into choice forecasting criteria.

It seems that customers' prefer future options before buying any durable product and many such features as mentioned above before any purchase decision for products like digital camera, thus it is hypothesized that:

Ho: Technical parameters for selecting brand in digital cameras' are uniform for all users.

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2.3 Conclusion:

It has been revealed from the studies made on demography, that demography seems the relevant and important factor for decision making for buying, it not always seems to affect the purchase decision for final buying. Celebrity endorsements are no doubt the USPs to make remember and recall for brand from consumers point of view, and is used effectively throughout the world by majority of companies to establish themselves for branding their products. but multiple endorsements by celebrities and negative information from misbehaving celebrities affects negatively for companies, so it becomes the factor for study and analysis from customers' point of view to define their consideration while thinking of any brand before selection. Many features are now a day's known to customers' through internet and websites prior to ultimate purchase. it seems that future options are thought of by customers' before buying and many such features are sought by customers' before taking the actual decision. Very few studies have probed into technical parameters for selection by individuals and professionals, as professionals will looking for further income generating product, whereas individuals will seek for hobby or leisurely activity, which lives ample scope to probe into micro analysis of individuals on the basis of demography, celebrity endorsements, and technical parameters. With this backdrop, study has been undertaken to sort out relationships between above said parameters, individuals and professionals customers'.