

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

Consumer behaviour utilizes concepts and theories from a variety of disciplines. Study on product attribute and psychographic are the popular scopes covered by researchers. Marketers use these scopes to recognize their market segment as well as marketing planning.

In section 2.2, we look into the theoretical review of product attributes. Attributes are important information for marketers as these characteristics determine what consumers are looking for in a product. Section 2.3 investigates the application of product attribute research. Attribute research is important as it forms the basis for marketing strategies in changing consumer buying behaviour in order to capture the target market segment.

Section 2.4 discusses the theoretical review of psychographic research. Psychographic research refers to lifestyle research. It captures the relevant aspects of a consumer's personality, buying motives, interest, attitudes, beliefs, and values. Application of psychographic research is also discussed in section 2.5. Psychographic analysis is useful in identifying market segments and in developing specific promotion campaigns for each market segment.

Due to lack of studies carried on sauces, we shall look at other products consumer behaviour on assuming that these behaviours are similar. Since consumer behaviour as a field of study seeks to apply behavioral science notions, some borrowing is inevitable and, in the view of many, desirable and useful.

2.2 PRODUCT ATTRIBUTES: A THEORITICAL REVIEW

Attributes are important to consumers because these characteristics deliver the benefits that consumers are seeking from the products (Loudon and Della Bitta, 1984). An important concept is that attributes differ widely in their importance to consumers (Mowen, 1987).

The attributes (such as price, taste, appearance and packaging), either objective or subjective in nature, are the standard specification that will be used by a consumer to evaluate products or services. These attributes can either be seen, felt, heard or smelled and they are communicated to consumers by the products or services and its design, contents and personnel as reflected by the object and its surrounding environment.

A product has several attributes. The number and types of attributes used by a consumer in making purchase decision may vary by product. The number of attributes used would tend to be more for high-involvement product, for instance a house or a car, and less for low-involvement product, like a ruler (Mowen, 1987).

Attributes and its importance may vary among different consumers and also may change overtime as consumers gain new experiences and information. Mackenzie (1986) defines attribute importance as a person's general assessment of the significance of an attribute for products or services of a certain type. The amount of attention directed to a specific attribute has direct influence on attribute importance. Cultural norms and values in which a person believes and how closely consumer's self concept is tied with the attribute, characteristic of advertisement and the extent to which a person must process information about an attribute influence how attention is directed (Malkenzie, 1986). For instance, if a consumer believes

that he is exposed to the risk of accident, then the attribute of insurance will attract more attention from him. When the insurance advertisement is able to attract his attention to this attribute and cause him to allocate cognitive capacity to the attribute, i.e. make him think about it, the advertisement may increase the perceived importance of this attribute.

Mowen (1987) believes that there is a close relationship between attributes and beliefs of which consumer researchers always used to predict consumer's behaviour and attitude. According to Mowen, beliefs represent the knowledge a person has about an object and beliefs describe a person's perception of the relationship among attributes, benefits and objects (Mowen, 1987). Two types of beliefs which are related to attributes, attribute-object belief, and attribute-benefit belief. Attribute-object belief links an attribute to an object, such as a person, product or service and through this belief, a consumer defines what he or she knows about various attributes. For instance, a consumer may link Sony television with good quality and reliable product. Attribute-benefit belief links attributes to benefits. It describes the extent of how a consumer perceives a specific attribute, which leads to a specific benefit (Mowen, 1987). A consumer may choose Sony television as it is known for their quality, reliability/giving fewer problems. These attributes thus become the selection criteria of the purchase of television.

In the year of 1972, a study conducted by Ocean Spray Cranberries, Inc. (DeBruicker and Ward, 1980) on two of their products, Jellied Cranberry Sauce and Whole Berry Cranberry Sauce, showed that among the important attributes for selecting these products are accessibility, taste, can be used as snack food,

appropriate for traditional or formal meals, nourishing, has attractive colour and has the tight consistency.

The above findings are helpful in providing ideas to develop questionnaire on selection criteria for sauces.

2.3 APPLICATION OF PRODUCT ATTRIBUTE RESEARCH

In order to develop a successful marketing mix, attribute research forms the basis for marketing strategies in changing and increasing consumer's brand preference, creation of advertising campaigns, positioning of product as well as new product development. It also forms the basis for marketing strategies in changing consumers general buying behaviour in order to raise marketing of a product or brand.

Promotional activities are one of the factors in influencing consumers' impression on product attribute (Mowen, 1987). For example, a product with strong promotion creates more consumers awareness of the attribute of the product. Consumers are then able to link the attribute to the product (the object), which form an attribute-object beliefs (Mowen, 1987). For instance, a consumer might believe that high motor horsepower of an air-conditioner give a good performance. If halo effect occurs, consumers who rank highly on a particular attribute may also rank highly on another feature of the product. Thus, consumers may decide to buy the product due to his or her belief that "if good on one feature, it will also be good on another feature". For instance, a consumer who believes that Sony (Malaysia) Sales & Services Sdn Bhd is the most reputable electrical appliances distributor might also think that it provides the best back-up service. If back-up service is the most

important attribute to this consumer when purchasing a television then he would most probably buy a Sony television.

In addition, promotional campaign stressing the selected key attributes by reminding consumers that a product has “more” or is “better” or is “best” could improve consumer’s perception on the product or brand itself. If these key selected attributes are found to be stronger than the competitors’ and the advertising appeal stresses that these attributes deserve higher weightage in their evaluation, consumers may gradually increase the product or brand preference (Loudon and Della Bitta, 1984).

Vice versa, marketers who find certain attributes of their product which are not rated as highly as the competitors’ can choose a marketing strategy to decrease the importance of such weak attributes of their product (Loudon and Della Bitta, 1984). In many cases, product price is one of the most important attributes evaluated by consumers. A price sensitive consumer may not consider a product which is more expensive than other similar products (Mowen, 1987). In such cases, many products and services have used advertising appeals such as quality, status, and health to down-play other attributes on which the product or brand are not as strong.

Market segmentation may also assist marketers to have the opportunity to convince consumers preferring to one type of the product (e.g. daily milk) to shift their preference to another type of product (skimmed-milk), and vice versa. The changes of attributes (e.g., from full-cream milk to non-cream milk) in the process of preference shift are usually important and distinctive. It is likely that consumers’ evaluation of one attribute can be upgraded. This may follow with a shift in overall assessment of the product or even intention to buy (DeBruicker and Ward, 1980).

Attributes research also help marketers in introducing new product or in actual improvement made in the product itself which represents a technological improvement or innovation (e.g. introducing new uses for an existing product), offer better value (through special price) and use product samples such as test drives and demonstrations (Loudon and Della Bitta, 1984). These are some of the actions which could also be used by marketers to increase consumer evaluation on the product or brand itself, which hopefully would lead purchase decision.

2.4 PSYCHOGRAPHIC RESEARCH: A THEORETICAL REVIEW

Psychographic, also commonly referred to as lifestyle analysis or AIO (activities, interest, and opinions) research, is a form of consumer research that has been heartily embraced by both marketing practitioners and academic consumer research (Schiffman and Kanuk, 1991). Psychographic research, defined by Schiffman and Kanuk, is a study consists of a battery of statements designed to capture relevant aspects of a consumer's personality, buying motives, interest, attitudes, beliefs, and values. Product-specific forms of psychographic research have consumers respond to selective statements about products, services, brand, or specific consumption situations.

The term psychographics was defined differently by different researchers (Mowen, 1987). According to Mowen (1987), the term means the idea of describing (graph) the psychographic (psycho) makeup of consumers. As such, psychographics would be used to identify the personality of consumers.

On the other hand, Wells (1975), defined psychographic research as the distinctive lifestyles that individuals adopt as the basis for psychographic

segmentation. Sometimes it is considered as synonyms with attitude or AIO (activity, interest, and opinion) research. Although the concept as well as the term psychographics or lifestyle study has attracted widespread interest and use in recent years, there were attempts to distinguish between psychographics and lifestyle study.

Generally, psychographic variables are often referred to as AIOs, for much psychographic research focuses on the measurement of activities (i.e., how a consumer (or a family) spends time-working, with hobbies, vacations, and sport), interest (i.e., a consumer's or a family's preferences and priorities-home, fashion interest, eating habits), and opinions (i.e. how a consumer feels about a wide variety of events and political issues, social issues, the state of education and the future) (Schiffman and Kanuk, 1991). In a psychographic study, consumers are asked to reveal their degree of agreement to a variety of statement covering their activities, interest and opinions. Statistical techniques are then used to group together items considered to be similar. Since a psychographic variable is used as an operational measure of lifestyle, it provides quantitative measures of consumer's lifestyles (Engel and Blackwell, 1982).

Besides reflecting either personal or family activities, interest, and opinions, psychographic statements can be designed to be either general or product-specific. Normally, in a psychographic study of a specific product category, consumer researchers are likely to include both general and product-specific statements. (Schiffman and Kanuk, 1991). Both types of statements supply valuable insights on consumers' attitude. The product-specific statements pertain directly to the product

and its use, whereas the general statements focus on broader perceptions, preferences, or life style (Schiffman and Kanuk, 1991).

There were numerous empirical research conducted on psychographic studies overseas. In Malaysia, the first nationwide lifestyle study was only conducted in 1988 by Survey Research Malaysia. This study involved 2037 respondents and 86 AIO statements and the Malaysia consumers were divided into seven lifestyle patterns (Ho, 1988).

A study conducted by Rejab and Yacob (1987) to examine Malaysia women's lifestyle. Their study has shown that the Malaysian women population can similarly be segmented into various lifestyle groups by means of their activities, interest and opinions (Rejab and Yacob, P.49). These women were segmented into eight lifestyle groups by means of the 61 AIO items which have been modified to accommodate the local cultural variations.

Above studies are useful in helping to set questionnaire in Section C of which 16 AIO items were determined in order to identify the market segment for sauces through the users' behaviour, attitudes, opinions and beliefs.

2.5 APPLICATION OF PSYCHOGRAPHIC RESEARCH

Psychographic analysis is particularly useful in two closely related areas of marketing strategy: segmenting markets and developing specific promotional campaigns (Schiffman and Kanuk, 1991).

In segmenting markets, psychographic research is useful in providing direction as to which promotional appeals to use and which advertising media might best be used to reach the target market as well as identifies important subgroups. A

combined use of psychographics helps marketers locate their target market of consumers and classify consumers into groups based on their similar lifestyle characteristics. Marketers are able to acquire a picture of the “inner consumer”; that is, to know what consumers are feeling and what ought to be stressed in the marketing campaigns to satisfy the needs and wants of specific groups of consumers.

Market segmentation is closely linked to product improvement and product positioning. The needs of consumers and how a product fits into their life can be employed to position a product. Product positioning helps to determine how consumers perceive the marketer’s product and the kind of marketing strategies to be developed and implemented. As psychographic segmentation provides information on different needs of different types of consumers and the potential size of those types in the population, it helps to identify the unserved market segments.

Psychographic analysis could be used to select the appropriate design on promotional themes, the type of advertising copy used to reflect the lifestyle profiles of the target market and the proper media vehicles to get the message across to the target market. All these are made possible as psychographics data provide a richer and more life-like pictures of the target market.

The findings from psychographic research can be used to determine the setting of advertising, type and appearance of the characters, nature of the music and artwork, tone of voice, rewards people seek in their activities and interests, notion of the numbers and types of roles in which the target consumer sees the characters (Loudon and Della Bitta, 1984).

2.6 SUMMARY

Although the studies reviewed in section 2.5 of this chapter are not directly related to sauces, they are significant to this study. For the product attributes studies, we can use the previous studies as a guide in designing the questionnaire. The product attributes selected for the sauces study are price, well known brand, taste, appearance, attractive packaging, easily available, long shelf life, no colouring or preservative.

In the psychographic analysis, 16 AIO items are selected. These items are determined based on their activities, belief and opinion. Then, market segments are determined to help marketers to plan their marketing strategies according to different groups of consumers.