

# Consumer Decision Making Styles In Shopping Malls -An Empirical Study In The Indian Context

*\*Swaroop Chandra Sahoo*

*\*\*Prakash Chandra Dash*

## INTRODUCTION

The consumer decision-making process is a complex phenomenon. The purchase of goods or services includes a number of factors that could affect each decision. Consumers are besieged by advertising, news articles, and direct mailings that provide abundant information, much of these are with mixed messages. In addition, increases in the number and variety of goods, stores, and shopping malls and the availability of multicomponent products and electronic purchasing capabilities have broadened the sphere for consumer choice and have complicated the process of decision making. Hence, an attempt has been made in this paper to know about the decision making styles of people in shopping malls.

## OBJECTIVES OF THE STUDY

This research paper is divided into three major sections. First, we discuss the theoretical background and past research that has been conducted in this area. Although there has been a dearth of such type of studies in the Indian Context, theoretical exploration can be based on international studies carried out in other countries. The second part presents the research methodology followed to investigate into consumer decision making styles in shopping malls. For collection of data, use of a mall-intercept face-to-face interview method was adopted. The findings, as well as limitations of the study and directions for future research have been contained in the third and final section. The objectives of the study are:

1. To investigate the consumer decision making styles in shopping malls.
2. To study variations in the consumer decision making styles across different demographic variables.

## HYPOTHESES

The following hypotheses were taken into account keeping the objectives of the study in mind.

1. **Price consciousness is greatly influenced by one's income.**
2. **Married people are more concerned about quality as compared to single people.**
3. **Recreational shopping is influenced by age.**
4. **Confused by over choice doesn't have any significant impact on shopping.**
5. **Variety seeking shopping behaviour of consumers has some impact on shopping.**

## LITERATURE REVIEW

Sproles and Kendall (1986) define a consumer decision making (CDM) style as “*a mental orientation characterizing a consumer's approach to making choices.*” Broadly speaking, there are three types of approaches in studying consumer decision-making styles: **the psychographic/ lifestyle approach**, which identifies hundreds of characteristics related to consumer behavior; **the consumer typology approach**, which classifies consumers into several types; and **the consumer characteristics approach**, which focuses on different cognitive dimensions of consumer decision making (cf. Fan et al., 1998). In the extant consumer behavior literature, most studies assume that the shopping approach of all consumers with certain decision-making traits combine to form a consumer's decision-making style. Academicians and researchers have long been interested in identifying these underlying decision styles of shoppers. For example, consumers are identified as economic shoppers, personalizing shoppers, ethical shoppers, apathetic shoppers, store

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*\*Professor (Marketing), C.V.Raman College of Engineering & Management, Bhubaneswar. Email: swaroopsahoo@yahoo.co.in*

*\*\*Senior Lecturer (Marketing), BIMIT, Bhubaneswar. Email : dashprakash04@gmail.com*

loyal shoppers, recreational shoppers, convenience shoppers, price-oriented shoppers, brand-loyal shoppers, name-conscious shoppers, problem-solving shoppers, quality shoppers, fashion shoppers, brand conscious shoppers and impulse shoppers. (Bellenger and Korgaonkar 1980; Darden and Reynolds 1971; Stone 1954, Williams, Painter, and Nicholas 1978, Moschis 1976; Stephenson and Willett 1969, Gehrt and Carter 1992, Jacoby and Chestnut 1978, Lumpkin 1985) (cf. Hiu, A. Y. et al., 2001). Using the consumer characteristics approach, Sproles (1985) developed a 50-item instrument to profile the decision making styles of consumers. Using data collected from 111 undergraduate women in two classes at the University of Arizona and employing a factor analysis technique, Sproles (1985) found six consumer decision-making style traits He named and described these traits: (1) Perfectionism, (2) Value Conscious, (3) Brand Consciousness, (4) Novelty-Fad-Fashion Consciousness, (5) Shopping Avoider-Time Saver-Satisfier (6) Confused, Support-Seeking Decision-Maker.

In a later study, Sproles and Kendall (1986) developed a comprehensive instrument called Consumer Style Inventory (CSI) to measure consumer decision making styles. The instrument was administered to 482 students in 29 home economics classes in five high schools in the Tucson, Arizona area. (cf. Fan, J.X., 1998). This instrument measures eight mental characteristics of consumer's decision making: perfectionism, brand consciousness, novelty-fashion consciousness, recreational, price-value consciousness, impulsiveness, confused by over choice, and brand-loyal/habitual. (cf. Mitchell, Vincent-Wayne, 2001).

According to Sproles & Kendall (1986), identification of these characteristics among consumers *"helps to profile an individual consumer style, educate consumers about their specific decision making characteristics, and counsel families on financial management"*. Consumer Style Inventory (CSI) developed by Sproles & Kendall (1986) was used by many researchers to study the consumer decision making styles. Some of the researches are briefly described below. Hafstrom et al. (1992) used the CSI to identify the decision-making styles of Korean students. They confirmed seven of the eight factors using Sproles & Kendall's analytical methods and conceptual framework.

The only factor that was not confirmed was 'novelty fashion consciousness'. They attributed this to possible links between 'brand consciousness' and 'fashion consciousness' among young Korean consumers (Hiu et al. (2001). administered the CSI to 387 adult consumers in China. Their findings indicate that five decision-making styles are valid and reliable in Chinese culture. These styles were perfectionist, novelty-fashion conscious, recreational, price conscious, and confused by over choice. Fan and Xiao (1998) used a modified CSI with Chinese students. They clearly identified five dimensions of consumer decision making styles: brand consciousness; time consciousness; price consciousness; quality consciousness; and information utilization. Walsh et al. (2001) confirmed seven factors of consumer decision-making styles for German consumers. These factors were brand consciousness, perfectionism, recreational/hedonism, confused by overchoice, impulsiveness, novelty-fashion consciousness, and variety seeking. Durvasula et al. (1993) administered the CSI on 210 undergraduate business students at a large university in New Zealand. They found eight consumers decision making styles. These styles are perfectionist, brand conscious, novelty-fashion conscious, recreational shopping conscious, price-value conscious, impulsive, confused by over-choice, and habitual/ brand-loyal.

## RESEARCH METHODOLOGY

### DATA COLLECTION

Data were collected from shopping malls located in Bhubaneswar, Orissa, India during first and last week of Jan, 2009. The target population for this study consisted of active mall shoppers.

A structured questionnaire was developed to measure the customer decision making styles in the shopping malls. The questionnaire consisted of questions concerning customer decision making styles and demographic information of respondents. For this study items were adapted from Consumer Style Inventory (CSI) developed by Sproles and Kendall (1986). CSI items were adopted from various available articles i.e. Mitchell, Vincent-Wayne (2001); Wesley et al. (2006) and Canabal, M.E. (2002). All of these were five point Likert-type scales in which respondents were asked to indicate their level of agreement (1 = strongly disagree to 5 = strongly agree). Lastly, the questionnaire also consisted of questions to solicit demographic information of the respondents such as gender, age, education, household income and marital status. Questionnaire was hand carried and personally explained to respondents by the interviewers.

**Table 1: Demographic Profile of The Sample**

<b>Variables</b>	<b>Frequency</b>	<b>%</b>
<b>Gender</b>		
Male	76	66
Female	39	34
<b>Age</b>		
Up to 20 Yrs	16	14
21-30 Yrs	63	54.71
31-40 Yrs	27	23.47
41-50 Yrs	6	5.21
Above 50 Yrs	3	2.61
<b>Education</b>		
Secondary School or equivalent	3	2.61
Bachelor degree	53	46.08
Master degree	50	43.48
Doctoral degree	3	2.61
Others	6	5.22
<b>Marital Status</b>		
Single	68	59.14
Married	47	40.86
<b>Monthly Family Income</b>		
Less than Rs.10,000	14	12.17
Rs.10,000 to Rs.20,000	40	34.78
Rs.20,000 to Rs.30,000	38	33.05
Rs.30,000 to Rs.40,000	5	4.35
More than Rs.40,000	18	15.65

## **SAMPLE SIZE**

As the study involves an in-depth investigation, a total of 115 respondents participated in the survey. Selected demographic characteristics of the sample including gender, age, education, marital status and monthly family income are presented in Table 1.

## **TECHNIQUE USED FOR THE ANALYSIS**

Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) measure was adopted to determine the appropriateness of the data set for factor analysis. High value (between 0.5 to 1) of KMO indicates that the factor analysis is appropriate. A low value below 0.5 implies that factor analysis may not be appropriate. In this study, the result of Bartlett's test of sphericity (0.00) and KMO (0.686) indicate that the data are appropriate for factor analysis. The sample consisted of 66% males and 34% female respondents. Respondents were mostly between the ages of 21 and 30 years (76.57%). 56.25% of the respondents were single. Almost 97.39 % of the respondents had at least a bachelor degree. Almost 52 % of the respondents reported that their family income was more than Rs. 20,000.

## **CONSUMER DECISION MAKING STYLES**

Factor analysis was adopted to capture the consumer decision making styles in shopping malls. Table 2 summarises the results of the factor analysis which was run using the Principal Component Approach with a varimax rotation.

**Table 2: Results of Factor Analysis**

Factor Labels and Items	Rotated Factor Loadings	Reliability Coefficient (Cronbach Alpha)
<b>Factor 1: Price Consciousness</b>		
It is important to me to get the best price for the products I buy.	.686	.736
I find myself checking the price even for small items.	.646	
I compare the prices of at least a few brands before I choose one.	.550	
I would never shop at more than one store to find low prices.	.834	
<b>Factor 2: Quality Consciousness</b>		
In general, I usually try to buy the best overall quality.	.779	.606
Getting good quality is very important to me.	.686	
I make a special effort to choose the very best quality products.	.755	
I always buy the best.	.748	
<b>Factor 3: Recreational</b>		
Shopping is a pleasant activity to me.	.668	.513
Shopping in many stores wastes my time.	.249	
I make shopping trips fast.	.681	
<b>Factor 4: Confused by Over Choice</b>		
There are so many brands to choose from that I often feel confused.	.745	.661
All the information I get on different products confuses me.	.740	
The more I learn about products, the harder it seems to choose the best.	.703	
<b>Factor 5: Novelty Conscious</b>		
It's fun to buy something new and exciting.	.551	-.373
To get variety, I shop at different stores and choose different brands.	.646	
<b>Factor 6: Variety Seeking</b>		
If I use the same brands over and over again, I get tired of them.	.831	.464
I buy different brands to get some variety.	.807	

## IMPACT OF DEMOGRAPHIC FACTORS ON CONSUMER DECISION MAKING STYLES

The results that factor analysis produced were put under further analyses by conducting an analysis of variance (ANOVA) to study the variations in the consumer decision making styles across different demographic variables. Dependent variable consisted of six decision making styles identified by factor analysis. Independent variables included five demographic variables: gender, age, education, marital status and monthly family income. The output of the ANOVA was summarized in Table 3 and discussed in the following section.

## RESULTS AND DISCUSSION

As discussed above, six consumer decision making styles have been extracted with the help of factor analysis and ANOVA was used to study the variations in the consumers' decision making styles across demographic variables. The six factors are summarized here.

### FACTOR 1: PRICE CONSCIOUSNESS

This factor measures the price dimension of consumer decision making styles of Indian consumers in our sample. Consumers who score high on this factor are very price conscious. They are conscious to get the best price for the products they buy. They check and compare the prices of products before purchasing them. They even go to more than one store to get the lowest price. The highest loading (0.834) item in this factor is “I would never shop at more than one

store to get low prices.” Table 3 revealed that the significance values of F for gender, age, education, and marital status are greater than 0.05. So, they do not have significant impact on price consciousness. Only monthly income has impact on price consciousness.

**Table 3: Effect Of Various Demographic Variables On Consumer Decision Making Styles: One Way ANOVA**

	Gender		Age		Education		Marital Status		Income	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.	F	Sig.
Price Consciousness	.384	.537	1.034	.393	.887	.474	.068	.794	1.353	.255
Quality Consciousness	.590	.444	.972	.426	1.756	.143	3.049	.084	.557	.695
Recreational	.958	.330	2.040	.094	.618	.651	2.301	.132	.969	.428
Confused by Over Choice	.682	.411	1.035	.392	1.132	.345	1.655	.201	.683	.605
Novelty Consciousness	3.208	.076	.085	.987	.238	.916	.211	.647	.112	.978
Variety Seeking	1.789	.184	1.842	.126	.789	.535	1.593	.210	1.697	.156

## FACTOR 2: QUALITY CONSCIOUSNESS

This factor reflects the quality conscious dimension of consumer decision making style of Indian consumers in our sample. Indian consumers consider the quality of the products while purchasing the products in shopping malls. It is very important for them to buy the best. Consumers who score high on this factor perceive the quality of a product to be very important and are willing to make special efforts to choose products with the very best quality. The highest loading item in this factor is “In general, I usually try to buy the best overall quality.”

Table 3 revealed that the significance values of F for gender, age, education, marital status and family income are greater than 0.05. So, they do not have significant impact on quality consciousness. Married people are more concerned about quality as compared to singles/unmarried.

## FACTOR 3: RECREATIONAL

The decision making style identified by this factor is that Indian consumers do purchase in shopping malls for enjoyment. We can call such type of consumers as recreational shopping conscious consumers (Hafstrom et al. 1992). “Shopping is a 'fun' activity for them. The highest loading (i.e., 0.681) item in this factor is, “I make shopping trips fast.” Other two items “shopping in many stores wastes my time” and “Shopping is a pleasant activity for me” also has some impact. So, it can be concluded that enjoyment during shopping has impact on consumer purchase in shopping malls. Table 3 revealed that the significance values of F for gender, education, marital status and family income are greater than 0.05. So, they do not have a significant impact on recreational shopping. Only age has an impact on recreational shopping.

## FACTOR 4: CONFUSED BY OVER CHOICE

Consumers having high score on this factor perceive the product related information available to be confusing. The items included in this factor are “There are so many brands to choose from that I often feel confused”, “All the information I get on different products confuses me”, and “the more I learn about products, the harder it seems to choose the best.” Consumers who score high on this factor are overwhelmed by all the choices of products and stores available to them and do not know what to do about the information. On the opposite end of the continuum, consumers who score low on this factor can take advantage of the available information and make better choices (Fan, J.X., 1998).

Table 3 revealed that the significance values of F for gender, age, education, marital status and family income are greater than 0.05. So, they do not have significant impact on factor 4.



## FACTOR 5: NOVELTY CONSCIOUSNESS

The decision making style identified by this factor is that Indian consumers are always driven by novelty products. The highest loading (i.e., 0.646) item in this factor is, "To get variety, I shop at different stores and choose different brands." Table 3 revealed that the significance values of F for gender, age, education, marital status and family income are greater than 0.05. So, they do not have a significant impact on novelty consciousness.

## FACTOR 6: VARIETY SEEKING

Consumers having high scorers on this factor are likely to switch brands, even if their current brands satisfy their needs. They may also switch brands to experience better alternatives or to increase stimulation by bringing something new into their lives. Items in this factor are "If I use the same brands over and over again, I get tired of them," and "I buy different brands to get some variety." Table 3 revealed that the significance values of F for gender, age, education, marital status and family income are greater than 0.05. So, they do not have significant impact on variety seeking shopping behavior.

## CONCLUDING NOTE

Sproles and Kendall (1986) identified nine decision making styles, while in this study, the researchers found only six decision-making styles in the Indian environment. These decision making styles are price consciousness, quality consciousness, recreational, confused by over choice, novelty consciousness, and variety seeking. This study does not confirm four dimensions proposed, i.e., fashion consciousness, brand consciousness, impulsiveness, and brand loyalty. It is revealed that the average Indian shoppers in our sample were not very brand conscious, but were price and quality conscious. It is found that single consumers are more price conscious than married consumers. Indian consumers are recreational in their shopping. Shopping is a 'fun' activity for them. Young consumers between the age group of 11-20 years are most recreational in their shopping. Above all, Indian consumers are confused by over choice, are novelty conscious, and are variety seekers. Information on consumers' decision-making style will be useful for retailers targeting Indian markets. As Indian retail industry is in boom today and more and more national and international players are interested in the emerging retail market in India, an understanding of Indian mall shopper behavior, with particular reference to their decision-making styles, is crucial. Profiling consumers by combining their decision-making styles and demographic variables provide more meaningful ways to identify and understand various consumer segments and to target each segment with more focused marketing strategies.

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