

Study of Psychological Factors of Young Consumers of Odisha

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Abstract

Every consumer when purchases a product or when in the decision making phase for purchasing a product passes through some process of mental decision comprising of the choice sets to reach at the correct decision. As a general practice, apart from the information gathering about the product, the decision making i.e. mental process are influenced by psychological variables also. This paper aims at finding the psychological factors of young consumers of Odisha. Exploratory factor analysis is carried out using the psychological variables from different consumer psychological studies to find out the psychological factors of the young consumers of Odisha. In this study four psychological factors emerged such as first one is 'Materialism' factor which depicts the materialistic psychological dimension of the consumers. Second one is 'Susceptibility to Interpersonal Influence' factor which describes the psychological characteristics of consumers where there is consumers' susceptibility to the interpersonal influence. Third factor is 'Opinion Leadership & Self Confidence' where the factor represents the shopping opinion leadership of the consumer and self-confidence as well and the fourth Factor is 'Perceived Time Pressure' which depicts about the perceived time pressure of the consumer. These psychological factors will help in understanding the consumer decision making and behaviour.

Key Words: Materialism, Time pressure, Opinion, Self-confidence, Interpersonal Influence, Psychological factor.

1. Introduction

In this era of rapid changing environment, the consumers are becoming more and more conscious in decision-making. Due to exposure to multi dimensions of information media, be it electronic or social media there is increased pressure on young consumers' mental state/ psychology while taking purchase decision. The psychological factors of the consumers may be understood to gain better insights in the marketing domain. The young consumers day by day are giving

importance to the materialistic view and the consumers' materialistic psychological phenomena also are now concern for the market researcher. To become rich and to avail all the best things, the aspirations of young consumers are now a days are increasing. As the time constraint and time pressure depicts the hurry syndrome among the young consumers the perceived time pressure by the consumer is a matter of concern and the marketers need to address this issue by providing suitable solution. Increasing usage of social media and mobile phone has also put the psychological pressure of peer and acquaintances on the young consumer and they are also now susceptible to inter personal influence. The self- confidence also important in decision making while going for shopping or while involved in purchasing. The youngsters are now a days shows a high degree of self-confidence as the information available to them boosts their confidence.

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The consumer decision making study requires the study of psychological factors as the decision-making involves mental characteristics of the consumers. This study primarily tries to study the psychological factors of the young consumers of Odisha. Odisha is a state of emerging opportunities and Bhubaneswar, the capital of Odisha is declared as the best smart city in making in coming years, the young consumers of Odisha will be in the focal point of the marketer intending to target the business development. So, it is pertinent to study the young consumers' psychological factors for understanding the behavior and better design of marketing strategy and products for them.

Some of these psychological variables used in the study of Lysonski and Durvasula (2013) were perceived time pressure, shopping opinion leadership, shopping self-confidence, consumer susceptibility to interpersonal influences and materialism and these psychological variables were used by them to find the impact of psychological variables on consumer decision-making styles.

The major goal/objective of the study is to find out the psychological factors associated to young consumers of Odisha through exploratory factor analysis by using the psychological variables used in different studies of consumer psychology in different parts of the world.

2. Literature Review

To conceptualize and operationalize the consumer psychological factors, various extensive studies have been carried out by researchers across the world. To gain insight into the potential psychological factors McDonald (1994) had suggested exploring the psychological variables which influences the consumer's decision-making styles.

The consumer intends to possess items to satisfy the need and wants however, the possession when related to materialistic view, the study of Belk (1985) gave a deep insight to the materialism and marketing and consumer behaviour. The study of Richins (1987) also highlighted the materialistic angle of the consumer psychology i.e. material satisfaction. In Zhou et.al (2010) study it had been observed that materialism

helped to explaining the difference in consumer decision-making styles between coastal and inland region consumers in China.

Time plays a very important role in consumer decision-making. Time pressure perceived by the consumer had also impact on shopping. Amount of time spent on shopping was related to hedonic aspect of shopping highlighted in the study of Babin et.al (1994). Lumpkin and Darden (1982) and Lumpkin (1985) also developed time pressure scale highlighting the hurry and time pressure. In the situation of rising in income and spare time constraint there is a need for study of perceived time pressure as psychological variable.

The consumer's shopping is sometimes influenced by opinion leaders who give opinion about the variety in terms of best price, quality and best deals. Shopping opinion leaders role in influencing marketplace choices were highlighted in the study of Kiel and Layton (1981) and Price and Feick (1984). The consumers are likely to consult the knowledgeable persons known as opinion leaders for advice to take better purchase decision. Lumpkin (1985) also highlighted in his study about the role of shopping opinion leadership on consumer decision making.

While shopping the self-confidence of the consumer also plays a major role. The self-confidence is also one of the antecedents to product knowledge as opined by Park et.al (1994) Shopping behavior also varies as per degree of self-confidence as shown in the research of Cox and Rich(1964). Shopper's self- confidence helps in getting pleasure in shopping as highlighted by Paridon (2005).

Bearden et.al (1989) opined that while getting the information from others about the product and also while thinking what others would think about the product if the purchasing is done, there comes consumer's susceptibility to interpersonal influence. So consumer decision-making was likely to susceptible to interpersonal influence.

All the literatures reviewed have given the idea of psychological factors associated to consumers purchase decision. In the study of Lysonski and Durvasula

(2013) the psychological variables identified were perceived time pressure, shopping opinion leadership, shopping self-confidence, consumer susceptibility to interpersonal influences and materialism and these psychological variables were used by them to find the impact of psychological variables on consumer decision-making styles.

It is interesting to note that not many studies have been carried out on psychological factors associated with young consumers in Indian context. India being a bifurcated society and there is a sharp contrast in wealth distribution between rural and urban sectors and the purchase of product varies according to the psychology of the consumers. Thus a study could be carried out for better understanding of psychological factors of young consumers.

3. Objective of the Study

The objective of this study is to identify the various psychological factors of young consumers of Odisha while their involvement in shopping.

4. Research Methodology

4.1 Research Design

A descriptive approach has been adopted in the research design. This has led to get the desired result by using cross-sectional study. The cross-sectional study among the university/college students has been based upon the methodologies adopted in previous empirical studies conducted in various parts of the world. It has been helpful on fulfillment of the objective of the research.

4.2 Research method

The research method is 'Quantitative' in nature and has the survey method through a structured questionnaire to identify the psychological factors of young consumers involved in shopping.

4.3 Development of Instrument

The questionnaire has been developed by adopting items to find out the psychological factors of consumers, by using psychological scales (total 14 items) comprising of the following i.e. Time Pressure Scale (2 items) are adapted from the study of Lumpkin

& Darden (1982) and Lumpkin (1985); Shopping Opinion Leader Scale (2 items) are adapted from the study of Lumpkin (1985); Shopping self-confidence scale (1 item) is adapted from the study of Lumpkin (1985); Consumer susceptibility to interpersonal influence scale (3 items) are adapted from the study of Bearden et.al (1989) and Materialism Scale (6 items) are adapted from the study of Richins (1987) in the study. All these questions are answered by the respondents with one choice selecting on the basis of 5 point Likert scale i.e. (1-Strongly Disagree, 2-Disagree, 3- Neutral, 4- Agree and 5- Strongly Agree). Other questions for demographic details are also included in the questionnaire.

4.4 Sample and Source of Data

The scope of the study is restricted to the university/college students and a purposive sampling has been undertaken. The university/college students have been selected as per their gender, educational qualification, course, and age group.

4.5 Sampling Design

It has been observed from the literature review that the studies across the world have taken the sample of undergraduate and post graduate students. So, the sampling design consists of a sampling frame which defines the list of students of Universities and colleges in Odisha in the age group of 17-25 years. Both boys and girls students are included in the sampling process. The questionnaire was administered to 500 students in different parts of Odisha. However, after the scrutiny of the feedback data only 432 questionnaires were found relevant.

4.6 Formats of Data and Collection of Data

As the study is empirical in nature, the primary data has been collected from the respondents by using survey method through administering the structured questionnaire to the respondents. During the month of March to April 2016 and August to September 2016 (total 4 months) period the data has been collected.

4.7 Tools for Data Analysis

The data analysis has been carried out with descriptive statistics as well as techniques like Multivariate

Table-1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy:		.762
Bartlett's Test of Sphericity	Approx. Chi-Square	1009.539
	Df	91
	Sig.	.000

Table-2: Summarized table showing the result of Factor Analysis with Factor Naming

Psychological Factors of Consumers				
Factors/Items	Factor Loading	Eigen-value	Variance (%)	Cumulative Variance(%)
Factor-1 (Materialism)		3.367	24.049	24.049
I would like to be rich enough to buy anything I want	.722			
I would be happier if I could afford to buy more things	.646			
It sometimes bother me quite a bit that I can't afford to buy all the things I want	.634			
People place too much emphasis on material things	.533			
It's really true that money can buy happiness	.457			
Factor-2 (Susceptibility to Interpersonal Influence)		1.492	10.659	34.708
I like to know what brands and products make good impression on others	.768			
If other people can see me using a product, I often purchase the brand they expect me to buy	.708			
I often identify with other people by purchasing the same products and brand they purchase	.650			
It is important to me to have really nice things	.452			
Factor-3 (Opinion Leadership & Self Confidence)		1.348	9.625	44.334
My friend ask me where I shop for many kinds of products	.793			
My friends and neighbours often come to me for advice about where to shop	.751			
I think I am a better shopper than most people	.610			
Factor-4 (Perceived Time Pressure)		1.147	8.194	52.528
I always seems to be in a hurry while purchasing product	.814			
I never seem to have enough time to do things I want to do	.780			

technique has been used wherein the Interdependence Technique i.e. Exploratory Factor Analysis has been carried out to find out the psychological factors of young consumers. As the factor analysis provides the result by combining the related variables in to groups which is helpful for grouping similar characteristics into one group or factor. Software spss-19 has been used for data analysis.

5. Data Analysis

The data has been analysed by using appropriate statistical methods and tools as applicable to meet the Objective i.e. 'to identify the psychological factors of young consumers.'

5.1 Reliability of the scale

The reliability of the scale is tested by using software spss-19 and the Cronbach's alpha is 0.747 which is acceptable.

5.2 Analysis of KMO and Bartlett's Test

In pre analysis part the KMO and Bartlett's Test (Table-1) indicates that the result of sampling adequacy is 0.762. Factor analysis can be carried out if the KMO measure of Sampling Adequacy is more than 0.5 and

Bartlett's Test of Sphericity is 1009.539 which is significant at $p < .001$ thus, indicating the sample is suitable for factor analysis (Malhotra and Dash, 2012, p.590).

As the factor analysis provides the result by combining the related variables in to groups which is helpful for grouping similar characteristic into one group or factor. The output of the factor analysis summarized is as follows:

In the factor analysis the data are subjected to principal component analysis, under exploratory factor analysis, the data are analysed through varimax rotation to reduce the variables into groups with factor loading of 0.4 and above. The factors with eigen value greater than one are considered to be significant.

In the Table-2, the result of the factor analysis shows 4 factors of eigen value greater than 1.0 and accounted for 52.528% of total variance, and it is imperative to say that the total variance explained is above 52% and is considered to be good.

In order to establish the internal consistency, Cronbach's alpha is calculated for the factors and the results are given in Table-3

Table-3: Internal Reliability of the constructs

Sl. No.	Factor(s)	Cronbach's alpha	No. of Items
1	Factor-1 (Materialism)	0.615	5
2	Factor-2 (Susceptibility to Interpersonal Influence)	0.629	4
3	Factor-3 (Opinion Leadership & Self Confidence)	0.594	3
4	Factor-4 (Perceived Time Pressure)	0.631	2

5.3 Interpretation of the Factors Emerging in Factor Analysis

The interpretations of the factors which have emerged in factor analysis are shown in Table-2 where Factor-1 is named as the 'Materialism' factor which depicts the materialistic psychological dimension of the consumers. Factor-2 is named as 'Susceptibility to Interpersonal Influence' factor which describes the psychological characteristics of consumers where there is consumers' susceptibility to the interpersonal

influence. Factor-3 is named as 'Opinion Leadership & Self Confidence' where the factor represents the shopping opinion leadership of the consumer and self-confidence as well. Factor-4 named as 'Perceived Time Pressure' factor which depicts about the perceived time pressure of the consumer and the factors are aligned with the psychological factors represented in the study of Lysonski and Durvasula (2013). However, the opinion leadership and self-confidence factors are combined and represented factor-3.

The Internal Reliability of the constructs has been tested and the results are shown in Table-3. The three factors discovered in the study have Cronbach's alpha more than 0.6 and are statistically reliable. Here, only one factor i.e. Factor-3 (Opinion Leadership and Self Confidence) has Cronbach's alpha 0.594 seems to be low and close to 0.6 and it may be due to the only one variable related to self-confidence grouped with two variables related to opinion leadership.

6. Conclusion

The study mainly emphasizes on finding out the psychological factors of young consumers of Odisha. Firstly, to find out the psychological factors of consumers, Exploratory Factor Analysis has been carried out by using psychological scales comprising of total 14 items based on literature review. As the factor analysis provides the result by combining the related variables in to groups which is helpful for grouping similar characteristics into one group or

factor. From the output of factor analysis it has been observed total 4 psychological factors are emerged and they are named viz. 'Materialism', 'Susceptibility to Interpersonal Influence', 'Opinion Leadership & Self Confidence' and 'Perceived Time Pressure'. The factors are aligned with the psychological factors represented in the study of Lysonski and Durvasula (2013). However, the opinion leadership and self-confidence factors are two separate psychological variables represented in the study of Lysonski and Durvasula (2013) but in this study they are combined and represented as 'Opinion Leadership & Self Confidence' factor. So, it can be understood that the psychological factors of young consumers of Odisha emerged in this study in the Indian context may be useful for further study/research to gain the insight on consumer behavior. This study has been carried out with a limited size of sample. However, a study on other psychological variables with larger sample may yield different results.

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