Relationship of demographic characteristics with purchasing decision involvement: a study on FMCG laundry soaps

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Key Words
Purchase decision, low involvement product, demographic variables.

Abstract
Despite the large amount of theory and research on consumer purchase decision, current interest is in the cases where involvement with or importance of the product choice is low and the product is purchased frequently or repeatedly. The present paper provides a view of decision making based low involvement product where consumers are not motivated to engage in a systematic decision process rather they apply very simple, quick and effortless decision. To examine the understanding of consumer buying behaviour the marketing manager should have a thorough knowledge regarding the influence of demographic variables. This article is dedicated to exploring and examining the influence of demographic perspective on consumer decision making for low involvement product. Analyses of the results reveal significant difference between gender and purchase decision, age and purchase decision, income and purchase decision occupation and purchase decision. At the end of the paper, a few recommendations along with some agenda for future research studies are proposed.

Introduction
In recent years, different researchers has been devoted a considerable amount of effort to the understanding of consumer purchasing decision process. Information acquisition (Bettman and Park 1980; Jacoby 1977) and information integration (Ryan and Bonfield 1975; Wilkie and Pessemier 1973;) were two basic issues on these research areas. Besides how information about alternatives are evaluated to arrive at a final purchase decision are also emphasized in some literature on consumer decision making (Bettman, Johnson, & Payne, 1991). In today’s highly competitive business environment understanding consumer decision-making process is a very necessary issue for the corporate managers (Sheth and Mittal, 2004). Firms can satisfy those needs only to the extent that they understand their customers. Thus the strategic marketing plan along with the marketing strategies must incorporate knowledge in the field of consumer behavior (Solomon, 2002).

Consumer decisions has been divided in the consumer behavior texts as low involvement and high involvement purchase decisions. Low involvement decisions cover all Fast Moving Consumer Goods (FMCG) that represent the majority of consumer purchases. The fast moving consumer goods (FMCG) industry is highly fragmented and
consists of segments like house-hold products (laundry soaps, detergents, toiletries’, air fresheners, etc.), personal care products (soaps, cosmetics, perfumes) and food and beverages (processed food items, bakery products, processed fruits, soft Drinks etc.) These FMCG products move off the shelves of retail shops quickly and require constant replenishing (“A dictionary of business”, 1996, p. 200). The sector has been dominated my multinational companies with strong distribution network and intense rivalry among firms (Dhopatkar, 2011).

Like other developing countries in Bangladesh, changes in consumer’s buying behavior, growing urbanization, increasing disposable income in rural and urban market, increase in consumption levels, changing life styles of middle income group, etc have been contributing in growing demand for FMCG products. The significance of this research interest is to analyze the purchasing decision for low involvement product laundry soaps in the context of Bangladesh. However, in Bangladesh, no research works in these contexts is found to appear in the literature. Therefore, the benefit of the study is to explore marketers’ awareness to understand the purchasing decision for low involvement product that will necessarily increase the FMCG companies’ ability to obtain sustainable competitive advantage and future growth opportunities.

Literature Review
Purchasing Decision Making

Consumer decision making have been considered in the literature from several perspectives (Hansen, 2005). For making the purchasing decision in the marketplace a customer used to play the roles of buyer, payer and user (Sheth and Mittal, 2004). Purchase decisions are made by individuals, households, spouses or sometimes even by committees in business organizations. It can be defined as an act of information processing: the transformation of knowledge and information into action (Galbraith 1974). Different literature focuses on traditional five phases in the decision-making process (Kotler and Kelle, 2006). This process of decision making includes the need for recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior (Kotler and Keller, 2006). These five stages of decision making process are most widely used tools for marketers to gain a better understanding about their customers and their behavior (Commegys et al., 2006). In this regard Wright (1975) state that five stage of decision making process requires a considerable degree of cognitive effort which the consumer may be unwilling to expend. However, a considerable amount of the research on consumer decision making has focused on cognitive processing that occurs immediately prior to the act of purchase (or selection). Yet many decisions are made repeatedly or frequently over time and thus in these instances, consumers may rely not only on previously acquired product information stored in memory, but also on judgments of brand satisfaction or dissatisfaction which occur in the post-purchase evaluation (or usage) stage of the decision process (Hoyer, 1984). Thus for many purchases situation deliberate decision process never occurs, because consumers are not sufficiently motivated to think deeply about the ordinary consumption decisions they usually face. Indeed, in-store decision making during the
purchase of laundry detergent customers simply choose the cheapest brand (Hoyer, 1984).

**Classification of product Involvement**

Product involvement is commonly defined as a consumer’s enduring perceptions of the importance of the product category based on the consumer’s inherent needs, values, and interests (De Wulf, Odekerken-Schröder and Lacobucci, 2001; Mittal, 1995; Zaichkowsky, 1985). For understanding consumer decision-making behavior the importance of product involvement cannot be disregarded (Chakravarti and Janiszewski, 2003). Past research has suggested that product can be classified into high involvement and low involvement category depending on the nature of importance to the customers ((Zaichkowsky, 1985, 1986; Wells, Burnett, & Moriarty, 1995).

In the consumer decision making process, consumers spend a lot of time, effort, and energy for more expensive and personal products which are called ‘high involvement products’ (e.g. computers, automobiles and medical care). Research shows that under high involvement conditions, buyer decision processes are thought to proceed through extended decision-making, a series of sequential stages involving information search and evaluation of criteria (Celebi, 2009; Browne and Kaldenberg, 1997). On the other hand, consumers spend less time, effort, and energy for inexpensive and less exciting products which are called ‘low involvement products’, such as, soft drinks, cereals, and washing powders (Celebi, 2009; Wells, Burnett, & Moriarty, 1995; Chung and Zhao, 2003). However, literature suggested, different people may show high involvement or low involvement to the same products (Zaichkowsky, 1985). Thus the main feature of product involvement is the personal relevance of the product to the need and values of the consumers. If consumers perceive that the product is relevant, their involvement is higher (Celebi, 2009). The current interest of this study is to analyze the low involvement product’s purchasing decision. In this study two selected laundry soaps namely 1937 Bangla Shaban and Wheel are considered as low involvement products.

**Importance of demographic variables**

Different literatures are found to have conflicting views on whether consumer demographics are related to purchasing decision behavior (Ahmed, Mohamed and Ismail, 2011; Creusen, 2010; Sidin at el., 2004). This phenomenon has generated a growing interest in how this demographic shift will impact consumer behavior and decision making processes (Cole and Balasubramanian 1993; Moschis 1994; Lumpkin and Hunt 1989; Rousseau, Lamson and Roger 1998). Consumers’ diverse traits in aspects of age, gender, income, education and occupational status affect the marketing presentation of the goods and services (kotler and Amstrong, 2008). Therefore, this paper, seeks to investigate how the purchasing behaviour for low involvement product varies across gender, age, income and occupational groups.
Research Objective and Hypothesis

This paper attempts to empirically examine the extent to which demographic characteristics are related to the purchasing decision process. Therefore, the following objectives are determined to achieve from the study:

1. To understand the effect of gender on purchasing decision for low involvement product.
2. To determine the effect of age on purchasing decision for low involvement product.
3. To assess the effect of income on purchasing decision for low involvement product.
4. To determine the effect of occupation on purchasing decision for low involvement product.

Gender and purchasing decision

Studies have revealed gender differences in shopping behaviour (Fischer & Arnold, 1994; Zeithaml, 1985). The importance of decision making according to gender differences are well acknowledged by researchers (Kassarjian 1982; David, 2006). It has been noted that women active participation at all levels of decision making is important in order to achieve equality and peace in family as well as the country (Sultana, 2011). Women are apt to be more involved with purchasing than men, since women have traditionally been the family purchasing agents (Slama and Tashchian, 1985). Males are generally self-focused while females are responsive to the needs of both self and others (Meyers-Levy, 1988). However, despite the importance women participation in family decision-making, in third world countries, especially Bangladesh and Pakistan women decision-making power is limited to some extent (Sultana, 2011). Literature suggested that purchasing decision had found significant differences between men and women for products like clothing, consumer electronics and books (Coley and Burgess, 2003). However Goldsmith (2002) found consistency for both men and women while examining personal characteristics of frequent clothing buyers. Therefore, the first hypothesis for this study is as follows:

H1: There is no difference regarding purchasing decision for low involvement product with respect to gender.

Age and purchasing decision

Both young and old age groups increasingly show their active participation in consumer decision-making and purchasing behaviour. Due to the increased knowledge of the marketplace and growing number of product alternatives, consideration are given for both age groups as an attractive segments for the marketer. Different literatures have recognized that marketing and advertising efforts excessively target both young and old aged groups (Boush et al., 1994, John, 1999). Younger consumers are normally more willing to try new products, seek greater information and are more self-confident in decision-making (Barak and Gould 1985). As people became older they gain more experiences and create deeper relationships with purchasing behaviour which make
them reluctant to switch from a familiar brand. Besides, older persons consider fewer brands before a purchase (Cole and Balasubramian, 1993). Equally, Uncles and Ehrenberg (1990) observe that older households buy on average fewer brands and concluded that for fast moving consumer goods (FMCG) there was no difference in purchasing decision of brand loyalty between younger and older consumers. Therefore it is hypothesized

\[ H_2: \text{There is no difference regarding purchasing decision for low involvement product with respect to age.} \]

**Income and purchasing decision**

It is difficult to separate the influence of income from purchasing decision as income leads the general socioeconomic status. This would direct to the assumption that higher income might be associated with higher purchasing involvement. Studies showed positive relationship between income and search effort (Salma and Tashchain, 1985). However, it would seem that the marginal utility of purchasing involvement would be low for high income groups, since they can purchase almost anything they want and also low for low income groups (Salma and Tashchain, 1985). Therefore, the third hypothesis for this study is

\[ H_3: \text{There is no difference regarding purchasing decision for low involvement product with respect to income.} \]

**Occupation and purchasing decision**

In addition to gender, age, and educational consideration; it is important to examine occupational considerations with purchasing decision. In general, compared to low occupied persons a highly occupied persons seem to place more emphasis on convenience, education, and leisure activities and view purchasing decision as less personally relevant and be less involved with it (McCall 1977; Reynolds, Crask, and Wells 1977). But for the present study the researcher assumes that for low involvement product occupational differences might not be affecting the purchasing decision. Therefore, the fourth hypothesis for this study is

\[ H_4: \text{There is no difference regarding purchasing decision for low involvement product with respect to occupational groups.} \]

**Research Methodology**

The study was geographically confined to Chittagong metropolitan area and all laundry soap users initially formed the sampling frame of the study. The study followed the survey approach using a structured-non-disguised closed-end questionnaire. Both primary and secondary information were used in the study. Secondary data were collected from various published sources including books, online journals, newspapers, magazines, and reports. Primary data were collected from interviewing a total of 200 respondents through questionnaire from the major super
stores of Chittagong Metropolitan City. For the ease of possible bias due to time period, respondents were interviewed in the morning, afternoon, and evening. Every consumer who entered in the super stores was approached immediately with the questionnaire after selecting a brand of laundry soaps. The sample size for the study was calculated by Cochran’s (1963) formula. On the basis of the formula, at 95% confidence level and 7% precision level with maximum degree of variability ($p=.5, q=.5$), the sample size arrived at 196. After sorting the collected questionnaires, 35 were found to be incomplete. Finally 165 questionnaires were used for the purpose of data analyses.

The questionnaire had two sections. The first section with four questions was developed to collect the demographic information of the respondents including their gender, age, income, and occupation of the laundry soap purchaser. In the second section, the respondents were given 8 statements to analyze their purchasing decision regarding the factors of importance of the laundry soaps. It was interesting to observe that respondents were choosing only two brands of laundry soaps. Thus the study has to conduct on the two selected brand of laundry soap. Reliability of the instrument was calculated employing the Cronbach’s Alpha (Cronbach 1951) since it is the most commonly used tool in measuring the internal consistency. Since all the scales in the present study produced desirable Cronbach’s alpha (Churchill and Peter, 1984; Nunnally, 1978), the data reliability issue in the study can be considered highly satisfactory. The statements were measured on a five-point Likert Scale ranging from Most important with scale point 5 to least important with scale point 1. Data were collected on the basis of natural observation with simple random sampling. All the data were collected during the 2nd and 3rd week of June 2011. Statistical tools including percentage, average, frequency distribution, and $t$-test were employed to analysis the data. All the calculations were conducted by using SPSS (Leech, Barrett, and Morgan, 2005), version 13.5. Referencing was done by the publication guidelines of the American Psychological Association (2001).

### Findings of the Study

#### Demographic Profile of the Respondents

<table>
<thead>
<tr>
<th>Gender of the respondent</th>
<th>Male frequency</th>
<th>female Frequency</th>
<th>Male Percentage</th>
<th>Female Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision to Purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1937 Bangla shaban</td>
<td>22</td>
<td>43</td>
<td>43.1</td>
<td>37.7</td>
</tr>
<tr>
<td>Wheel</td>
<td>29</td>
<td>71</td>
<td>56.9</td>
<td>62.3</td>
</tr>
<tr>
<td>Total</td>
<td>51</td>
<td>114</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age of the respondent</th>
<th>Below 30 frequency</th>
<th>Above 30 frequency</th>
<th>Below 30 Percentage</th>
<th>Above 30 Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision to Purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1937 Bangla shaban</td>
<td>31</td>
<td>34</td>
<td>36.0</td>
<td>43.0</td>
</tr>
<tr>
<td>Wheel</td>
<td>55</td>
<td>45</td>
<td>64.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>79</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

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Table 1 indicates the results of how purchasing decision varies with gender, age, income and occupational status. In the case of gender, out of 51 male respondents, 43.1% (22) were the purchaser of 1937 and 56.9% (29) were the purchaser of Wheel; whereas out of 114 females, 37.7% (43) decide to purchase 1937 and 62.3% (71) decide to purchase Wheel. In terms of age, out of 86 respondents under 30 years of age 36.0% (31) were found to purchase 1937 and 64.0% (55) were found to purchase Wheel compared to 43.0% (34) were purchaser of 1937 and 57.0% (45) were purchaser of Wheel of the 79 respondents above 30 years of age. Under the income category, 98 respondents belong to the ‘lower income’ group and the remaining 67 respondents constituted the ‘higher income’ group. In the lower income group 40.8% (40) were the purchaser of 1937 and 59.2% (58) were the purchaser of Wheel compared to 37.3% (25) were purchaser of 1937 and 62.7% (42) were purchaser of Wheel of the higher income group. Finally, in occupational categories 53 person were found to be employed in against of 112 unemployed (Housewives). In the employed sub-category 43.4% (23) were found to purchase 1937 and 56.6% (30) were found to purchase Wheel. In the unemployed sub-category 37.5% (42) decide to purchase 1937 and 62.5% (70) and decide to purchase Wheel.

**Test of hypotheses**

The analyses used five null hypotheses which were assumed previously to fulfil the objectives of the study. The Chi-square test was used to find out difference between gender and purchasing decision, age and purchasing decision, income and purchasing decision and occupation and purchasing decision.

**H0:** There is no difference regarding purchasing decision of low involvement product with respect to gender.
To test this hypothesis the analysis used chi-square test shown in table 2:

Table 2  Chi-square test for difference between gender and purchasing decision

<table>
<thead>
<tr>
<th>Chi-square Value</th>
<th>Degree of Freedom</th>
<th>N (Sample Size)</th>
<th>Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.055</td>
<td>1</td>
<td>165</td>
<td>.000</td>
</tr>
</tbody>
</table>

The result of Chi-square test in table 2 indicates a significant relationship between gender and purchasing decision. The analysis used gender differences and purchasing decision of low involvement product to run the Chi-square test. At 0.05 level of significance for 1 degree of freedom, the calculated chi-square value exceeded the critical value of 3.841. Hence, H0₁ should be rejected and significant relationship was found between gender and purchasing decision. Past research in this regard, suggested that females play the role of family purchasing agents (Salma and Tashchain, 1985) and engage in a larger responsibility in the purchasing decision compared to men (Singh, 2006).

H0₂: There is no difference regarding purchasing decision of low involvement product with respect to age.

To test this hypothesis the analysis used chi-square test shown in table 3

Table 3  Chi-square test for difference between age and purchasing decision

<table>
<thead>
<tr>
<th>Chi-square Value</th>
<th>Degree of Freedom</th>
<th>N (Sample Size)</th>
<th>Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>29.097</td>
<td>1</td>
<td>165</td>
<td>.000</td>
</tr>
</tbody>
</table>

To analyze the relationship between differences in age and purchasing decision of low involvement product Chi-square test was conducted. Result of the Chi-square test in Table 3 indicates that at 0.05 level of significance for 1 degree of freedom, the null hypothesis should be rejected since the value falls within the rejection region as the calculated chi-square value exceeded the critical value of 3.841 indicating significant relationship between age differences and purchasing decision of respondents. Therefore, it is evident that, age differences of respondents have significant relationship with purchasing decision of low involvement product which is also supported by prior research (Barak and Gould 1985). Younger consumers are more interested for preferring new products, seek greater information and are more self-confident in decision-making (Barak and Gould 1985). With the growing age people gather more experiences and knowledge which make them reluctant to switch from a familiar brand.

H0₃: There is no difference regarding purchasing decision of low involvement product with respect to income.

To test this hypothesis the analysis used the chi-square test shown in table 4:

Table 4  Chi-square test for difference between income group and purchasing decision

<table>
<thead>
<tr>
<th>Chi-square Value</th>
<th>Degree of Freedom</th>
<th>N (Sample Size)</th>
<th>Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.824</td>
<td>1</td>
<td>165</td>
<td>.016</td>
</tr>
</tbody>
</table>
The analysis used income differences and purchasing decision to run the Chi-square test. The Chi-square test result indicated in Table 4 finds out significant difference between income group and purchasing decision. At 0.05 level of significance for 1 degree of freedom, the calculated chi-square value exceeded the critical value of 3.841. Hence, \( H_0 \) should be rejected. Therefore a statistically significant relationship was observed between income level and purchasing decision of respondents. This might be attributed of the fact that higher income groups might be associated with higher education and therefore higher purchasing involvement, while lower income groups are less educated and gather less information in purchasing decision (Salma and Tashchain, 1985).

\( H_0 \): There is no difference regarding purchasing decision of low involvement product with respect to occupational groups

To test this hypothesis the analysis used the chi-square test shown in table 5:

<table>
<thead>
<tr>
<th>Chi-square Value</th>
<th>Degree of Freedom</th>
<th>N (Sample Size)</th>
<th>Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.691</td>
<td>1</td>
<td>165</td>
<td>.000</td>
</tr>
</tbody>
</table>

The Chi-square test is used to find out the difference between occupational group and purchasing decision of the respondents. Results of the Chi-square test in Table 5 indicated that at 0.05 level of significance for 1 degree of freedom, the null hypothesis should be rejected since the calculated chi-square value exceeded the critical value of 3.84. Therefore, a statistically significant relationship was observed between occupation and purchasing decision of the respondents. This is also supported by prior research focusing on the fact that working people seem to emphasis on convenience, education, and leisure activities in purchasing decision and see purchasing as less associated with their role in the family and be less involved with it compared to non-working people like housewives (McCall 1977; Reynolds, Crask, and Wells 1977).

**Conclusion, Limitations, and Future Research Agenda**

The present study is an attempt to explore the influence of demographic perspective on consumer decision making for low involvement product. Analyses of the results reveal significant difference between gender and purchase decision, age and purchase decision, income and purchase decision occupation and purchase decision. The brand of laundry soap is one, which seeks low involvement purchasing decision due to the frequent use by customers. These findings, in addition to its contribution to the marketing literature, have important implications for the FMCG companies in terms of adopting strategic marketing decisions by expanding the product portfolio and global foot prints. As the domestic FMCG companies are facing intense competition from the new as well as the existing players therefore they should aggressively focus on branding, sales promotion, product development, and innovation techniques to grab the untapped rural and semi urban market of Bangladesh.
However, the study suffers from some limitations. First, the study was conducted only in Chittagong metropolitan city of Bangladesh, though the largest laundry soap users are geographically concentrated in rural areas of the country. Hence, it does not represent the complete picture of the nation as long as purchasing decision is concerned. Moreover additional category of washing material like detergent powder and other laundry soaps were not included in the research design. These variables might have had their influences on the results of current study. Additionally, the behavioral aspects of users could have been widened with the inclusion of some other factors such as word-of-mouth communication, impact of promotional offers and the like. Despite these limitations, the researcher confidently believe that the results of the study deserve consideration for strategy formulation by FMCG companies as a way to improve the purchasing decision toward the customers’ preferred brand.

Reference


