

EMPIRICAL STUDY ON FACTORS INFLUENCING CUSTOMER PURCHASE DECISION OF SOFTWARE SERVICES PERTAINING TO MICROSOFT PACKAGES

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Received: 11 Mar 2018

Accepted: 20 Mar 2018

Published: 29 Mar 2018

ABSTRACT

This study focus on examining perceptions of the consumers mainly in terms of the information gathered, sources of information, location where the purchase is made and the ultimate purchase decision. This study is to analyze the buying behavior of consumers of software services from different perspectives. This study is to identify the post purchase behavior of consumers on software services and to classify them based on the factors.

KEYWORDS: *Customer Purchase Decision, Consumers of Software Services, Consumer Behavior*

INTRODUCTION

The study of behavioral aspects of consumers is of great importance for marketers and this knowledge is applied to find out the consumers wants and needs. In India consumer legislations since 1960 have created special interest in this subject. The main point for developing successful marketing strategy is a clear understanding of the consumers mind before, during and after a purchase. As all consumer's are not alike and their shopping patterns and preferences are constantly changing, they prefer varieties of products which reflect their own needs, personalities and lifestyles.

After globalization, a wide range of Software services started flooding the market. Software services, which were the presence of upper class during the eighties, have suddenly started thronging the middle-income group households. The focus of everyone's attention is shifted towards owning these gadgets and the very social status of the family has come to be assessed by the possession of these assets. A noteworthy development of the nineties is that even the low-income groups have started acquiring a wide range of Software services.

The changing concept of retail business into 'retail in detail', the emergence of giant sized retail business in the name of malls and the government's policy to allow foreign direct investment in retail business also change the lifestyle and the buying patterns and preferences of the consumers in India.

In this context, the consumer is confronted with a complex set of alternatives in many purchase situations. He has to choose the products and product classes from many varieties worth his money and efforts. Again from each product category, he has to make a selection from different sizes, colors, models, and brands.

The consumer has also to take a decision about when and where to buy the products that he needs or wants, how much he wants to spend on it, or how much he can afford to and how he will pay for it. Some purchase decisions are routine and may not require these considerations. Other purchase situations may be more complex.

In other cases, considerations regarding status and prestige are also important. Many product purchases may require the evaluation of a variety of economic, social, and psychological factors. To solve the problems of consumers and marketers, there must be continuous studies in the field of consumer buying behavior. Hence this study is undertaken to provide solutions to solve the problems of consumers and marketers.

SCOPE OF THE STUDY

The study aims at analyzing Consumer behavior relating to Software services and Low price Software services. The scope of the study has been limited to certain buying behavioral aspects of the purchase decision process, namely (information search, product awareness, Interest, product evaluation process, brand preference, factors of motivation, price and quality consciousness, purchase and post-purchase behavior). The study broadly aims at examining perceptions of the consumers mainly in terms of the information gathered, sources of information, a location where the purchase is made and the ultimate purchase decision.

Products Selected For the Study

The products selected for the study are Software services include software packages, software troubleshooting and General software re services. The study is conducted to analyze the buying behavior of consumers of software services from different perspectives.

OBJECTIVES OF THE STUDY

To identify the post purchase behavior of consumers on software services and to classify them based on the factors influencing their purchase behavior.

Research Design

Sources of Data

The sources of data are primary as well as secondary. The data collected from the consumer's survey constitute primary and information gathered through books, journals, magazines, reports, dailies. and internet consists of secondary data. The data collected from both the sources are scrutinized, edited and tabulated. The data were analyzed by using SPSS (Statistical Package for Social Sciences) computer packages.

Products Selected For the Study

The products selected for the study are consumer software services which are directly using by consumer's viz. Software packages, software troubleshooting and General software re services. The study is conducted to analyze the consumers purchasing behavior of these software services from difference perspectives.

Variables

The Questionnaire administered was a structured closed end questionnaire. Variety of both the question and the responses are structured with 6-sections. Section 1 of the questionnaire was framed to obtain general information about the consumers of software services products. Section 2 to 6 deals with pre-purchase behavior, product attributes, purchase decision, information search, and post-purchase behavior respectively. The questionnaire with a covering letter is handed over personally to each and every respondent and they are requested to return the filled in a questionnaire after 15 days.

The basic instructions were given. Additional information was sought by encouraging the respondents to give suggestions and opinions and by asking questions. The respondents took the period of fifteen days to two months to return the completed questionnaire.

Sample Selection

A Sample selected for the study covers different areas of Chennai city. Totally 540 consumers of software services were selected on simple random sampling method. Out of the sampling, 520 consumers only returned the filled questionnaires and of that 500 only are usable. Hence, the exact sample of the study is 500.

Research Tools

Primary data collected through a well-framed questionnaire is the research tool for the present study. The tools used for analysis are demographic factors, pre-purchase behavior, product attributes, purchase decision, information search and post purchase behavior.

Types of Analysis

The sources of data are primary as well as secondary. The data collected from consumers in Chennai were analyzed descriptively as well as empirically. The data collected from both the sources are scrutinized, edited and tabulated. The data were analyzed using Statistical Package for Social Science (SPSS) and other computer packages.

DATA COLLECTION

The data for this study was collected from consumers in all parts of Chennai. The researcher collected the sample by using simple random sampling method.

LIMITATIONS OF THE STUDY

The study takes into account certain factors influencing the purchase decision process of consumers of software services. The sample size of the study is restricted to 500 and it covers the consumers of Chennai city only.

The products selected for study are from consumer software services viz. Software packages, software troubleshooting and General software re services. Individual products in the case of non-software services are not selected for the study. Individual name of the brands is not taken for study.

The study focuses mainly on the factors influencing the purchasing behavior of consumers of software services. However the role of dealers not analyzed through the views of the consumers.

EXPECTED CONTRIBUTION FROM THE STUDY

For Corporates

The study on purchasing behavior relating to the consumers of software services is important to make better strategic production decisions by the corporates. Study of consumers purchasing behavior helps in designing production, scheduling, segmentation, positioning, pricing, distribution, advertising, and promotional strategies.

For Government

The study also helps Government in providing products and services and understanding what could be the future problems. E.g. pollution, traffic, and antiplastic drive, etc.

For Marketers

If marketers understand the consumers purchasing behavior, they are able to predict how consumers are likely to react to various situations and are able to shape their marketing strategies accordingly. Studying the consumers purchasing behavior has a great competitive advantage in the marketplace. Further, it helps in market opportunity analysis, target market selection and marketing mix determination. Consumers purchasing decision process which is characterized as more complex in its nature, has been subject to research often, only recently. This study is an attempt to explore the purchase decision process within a family with special reference in consumer's purchasing behavior and their role in the purchase decision. To the Marketers: consumers influence in the purchase decision process is to be considered more seriously than the influence of any other factor, for the simple and the most importance reason, that, is the consumers who decide the consumption pattern, choice of products, brands, stores and other product-related aspects nowadays. The marketing strategy to be adopted under conditions where purchase decisions are husband dominated has to necessarily differ when such decisions are wife dominated decisions. In order to reach the prospective buyer without any complications, the Marketer's prime responsibility is to identify the person dominating the decisions making process and she is to be influenced further towards the desired action. It is believed that, such an approach will serve the purpose more effectively than a generalized approach often practiced by Indian Marketers towards the consumer's purchase activity. Consumer behavior research is an effective tool in Marketing for all types of organization. It provides clues as of how to reach and serve the consumers more effectively. In order to achieve success in the market, the companies may adopt this methodology.

For Public

Consumers should be aware of the new products introduced in the market and of its special features, price, quality, etc. They should be capable of identifying duplicate products and should avoid purchasing unnecessary items. A Purchase is to be made on the basis of the quality, income and according to the budget. Consumers must know the standard shop which sells products at reasonable prices with excellent service. They should give importance to the package date, manufacturing date, ISI marks, expiry date, brand etc while purchasing. They should bargain and should clarify their doubts regarding the product, they buy. Proper planning is essential before going for purchasing and should know the credit facilities, offers, discounts, etc available for the products in the market. To conclude, in order to bring about lasting happiness in the purchase, a decision should be 'Joint Decision'. To protect consumers and help to evaluate products comes, it is essential to study the purchasing behavior of consumers.

Factors Influencing the Post Purchase Behaviour for Software Packages

The thirteen variables of purchase preference have been reduced systematically to evolve into meaningful predominant factor. The factor analysis applied for the consumer's response towards software packages.

Table 1: KMO and Bartlett’s Test of Factors Influencing Purchase of Software Packages

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.633
Bartlett’s Test of Sphericity	Approx. Chi-Square	1655.294
	Df	78
	Sig.	.000

Source: Computed data

From the above table, it has been found that KMO measure of sampling adequacy is .633 along with Bartlett’s test of Sphericity’s Chi-Square value 1655.294 which are statistically significant at 5% level. This shows that the sample size is adequate to find the predominant factors through data reduction process for the software packages. The communalities are presented in the table below.

Table 2: Number of Factors Influencing the Purchase of Software Packages

Factors	Initial	Extraction
Efficiency	1.000	.749
Power Economy	1.000	.773
Comfort ability	1.000	.524
Easy maintenance	1.000	.627
Good After sales service	1.000	.605
Marketability	1.000	.697
Appreciation from viewers	1.000	.704
Suitability for rough use	1.000	.766
Safety in usage	1.000	.722
Inbuilt spare parts	1.000	.675
Protection from power fluctuation	1.000	.611
Simple mechanism	1.000	.579
Innovative design	1.000	.521

Extraction Method: Principal Component Analysis.

From the above table, it is found that communality extraction values range from .521 to (.773) to (After sales service of software service).773. This implies that the opinion of consumers towards software packages vary from 52.1% to 77.3% respectively. This is statistically significant and consistent that consumers purchase software packages with unique qualities rather than innovative design.

The total variance and the number of factors emerged are presented in the table below. :

Table 3: Variable Loading of Factors Influencing Purchase of Software Packages

Component	Initial Eigen Values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.480	26.770	26.770	1.887	14.513	14.513
2	1.577	12.128	38.898	1.843	14.180	28.693
3	1.344	10.338	49.236	1.655	12.735	41.427
4	1.136	8.738	57.974	1.630	12.541	53.969
5	1.015	7.811	65.785	1.536	11.816	65.785
6	.950	7.309	73.094			
7	.883	6.793	79.886			
8	.633	4.867	84.754			
9	.500	3.847	88.601			
10	.461	3.547	92.148			
11	.432	3.323	95.472			

Component	Initial Eigen Values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
12	.353	2.717	98.189			
13	.235	1.811	100.000			

Extraction Method: Principal Component Analysis.

From the above table and graphical presentation, it is found that thirteen factors are reduced to five predominant factors with individual variances 14.512, 14.180, 12.735, 12.541 and 11.816 along with the Eigenvalues 1.887, 1.843, 1.655, 1.630, and 1.236 respectively. This profoundly concludes that only five factors are possible to extract from the thirteen variables and they are grouped into the following form.

Table 4: Factor Loading of the Five- Factor Structure Clothing Criteria Model for Software Packages

Factors	Component				
	1	2	3	4	5
Efficiency	.754				
Power Economy	.692				
Comfort ability	.573				
Easy maintenance		.782			
Good After sales service		.639			
Marketability		.576			
Appreciation from viewers			.795		
Suitability for rough use			.776		
Safety in usage			.558		
Inbuilt spare parts				.750	
Protection from power fluctuation				.634	
Simple mechanism					.844
Efficiency					.675

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 8 iterations.

From the above table, it is found that the first factor comprises three variables namely Simple mechanism (0.754), innovative design (0.692) and Easy maintenance (0.573). Therefore, this factor is suitably named as 'Product proximity'. The second factor comprises of Durability (.782), appreciation (.639) and Safety (.576). Therefore, this factor is suitably named as 'Suitable Safety'. The third factor comprises of Comfort (.795), Comfort (.776) and Inbuilt spare parts (.558). Therefore, this factor named as 'Utility'. The fourth factor comprises of Power economy (.750) and Marketability(.634), therefore this factor is suitably named as 'Value'. The fifth factor comprises of After sales service (.844) and efficiency (.675), therefore this factor can be called as 'After sales service'. On the basis of these classification, it can be concluded that the important factors which are influencing the buyer behavior of software packages consumers are after sales service, safety, Inbuilt spare parts, value and product proximity.

CONCLUSIONS

It can be concluded that software attributes have a great impact on the purchase decision of consumers. In a consumption environment, the customer chooses software which possesses high efficiency and user-friendly in nature. It is further concluded that domestic customer and corporate customers differ in their purchase decision based on the need of the software and efficiency of the software.

Globalization, privatization. Liberalization and modernization have removed the boundaries of nations. On account of these, the software markets are filled with numerable varieties with several modules from different international companies with heavy competition.

Scientific advancements and technological improvements make the consumers keep abreast of latest information about the availability of different softwares in the market. Consumers get information through television, newspapers, friends/neighbors colleagues, dealers and sales personnel.

With the increase in the income level of consumers the standard of living, lifestyle shopping patterns, preferences and also shopping habits have changed tremendously. This leads to the preference of innovative software for their domestic purpose.

Consumers have ample opportunities to evaluate the software efficiency through its technology and price. The deals and the sales personnel are able to explain the required software as well as their efficiency to attract both domestic and corporate customers.

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