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Study on consumer profile in relevance to preference towards gold loan or personal loan

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Abstract
The Consumer models narrated in this Research is to bring out the variables for the further study and also to understand the factors influencing the consumer behavior which stimulates the decision making. The two variables, i.e. the Perception and Preference coming up from these models are carried forward to analyses the Borrower's Behavior (Consumer Behavior). Thus, to begin with the understanding of the factors, the model reference was used to explain the consumer's Demographical factors (Consumer's Profile), Environmental factors which influence their Preference and Perception.

Keywords: black box model, consumer profile, consumer behaviour, demographical factor, decision making, perception and preference

Introduction

Consumer profile is useful information for determining the target consumers (borrowers) for the Loan products. The analyses help to understand, which type of consumer (borrowers) would prefer a gold loan or personal loan from organized or unorganised loan lenders. It can help to plan their promotions accordingly. In other words, the analyses prove to be more profitable to target advertising to a specific market segment. As most of the loan, lenders are promoting their loan products very rigorously.

In this study, the researcher has included an internal factor that influences the Consumer Behavior. The internal factors include Perception and Preference of Internal factors play a huge role in influencing the consumer behavior. The black box model included in this study is to analyses the internal factors which influence Perception and Preference of the consumers (borrowers). It also knows as a Consumer's Characteristic. It has been explained further in detail. This has been expressed in the Diagram 1.
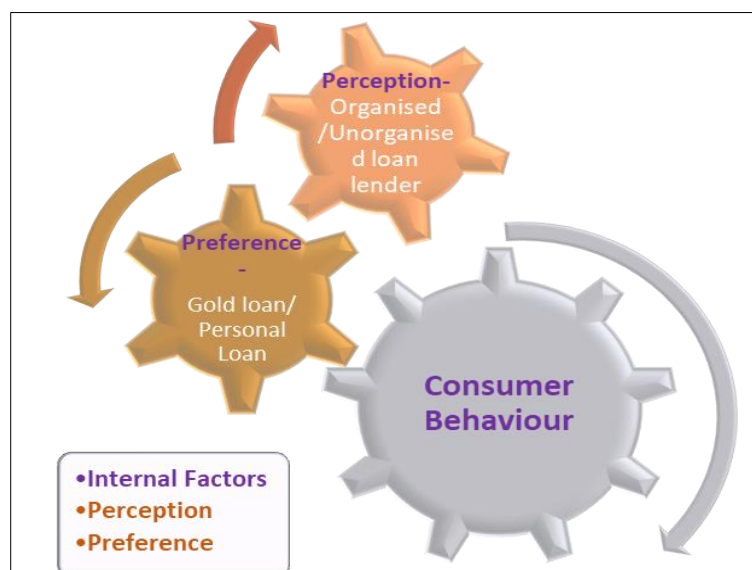
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Diagram 1: Internal Factors influencing Consumer Behavior

In the above diagram 1 the variable Preference and Perception has been incorporated to understand the internal factors which influence consumer behavior towards Gold Loan and Personal Loan.

Conceptual Explanation in relevance to the study
(a) The term 'Perception' in this study
The word 'Perception 'in the study is used to analyses the Borrower's Perception about the Organized Loan Lender or Unorganised Loan Lender, therefore the word 'Perception' has been defined as the process by which an individual select, organizes and interprets information inputs to create a meaningful picture of the world bombarded with information every day [1]. The term 'Perception' expressed in diagram 2.
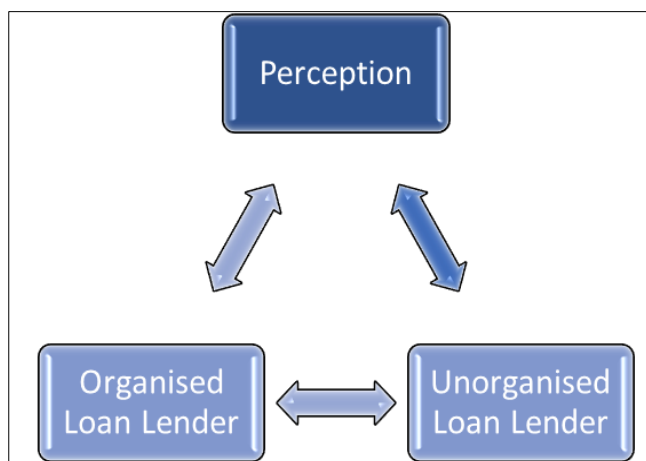

Diagram 2: 'Perception'

The word 'Perception 'used in the diagram 2 used to show the Borrower's Perception about the Organized Loan Lender or Unorganised Loan Lender. Perception is the process of selecting, organizing and interpreting information inputs to produce meaning. We chose what information that we pay attention to, organize it and interpret it. Information inputs are the sensations received through sight, taste, hearing, and smell and touch.

Selective Exposure: Select inputs to be exposed to our awareness. More likely if it is linked to an event, satisfies current needs, intensity of input changes (sharp price drop).

Selective Distortion: Changing twisting current received information, inconsistent with beliefs. For example, to understand terms 'Perception' Advertisers that use comparative advertisements (pitching one product against another), have to be very careful that consumers do not distort the facts and perceive that the advertisement was for the competitor. A current example of MCI and AT&T that, do we ever get confused? Selective Retention-Remember inputs that support beliefs, forgets those that don't. The average supermarket shopper is exposed to 11,000 products in a shopping visit lasting 30 minutes-60% of purchases are unplanned Interpreting information is based on what is already familiar, on knowledge that is stored in the memory.

(b) The term 'Preference' for this study
Preference refers to the choice to select any one from the available. The preference also refers to like and taste. One prefers to choose a particular product due to availability and choices. It is a process of comparing one from the other and selecting best out of it. Best means, its whole utility for one's own. The best choice gives mental and physical satisfaction [2]. The term 'Preference' here in this study expressed in diagram 3.
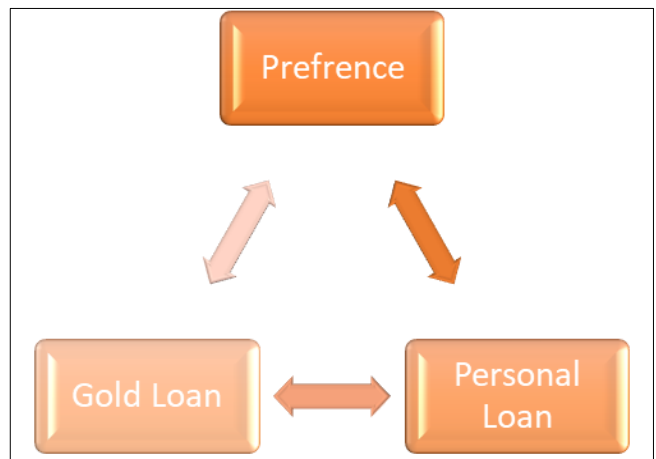

Diagram 3: 'Preference'

The Diagram 3 shows the Preference between Gold loan and Personal Loan. The researcher after literature reviewed on consumer behavior models was encouraged to express this study further with Black Box Model, which enables to explain the consumer profile more simple and easy way.
Both term' Preference' and 'Perception' has been explained above and also the Perception and Preference has been studied through field survey through proper 'Perception Scale' and 'Preference scale'. The detail of this Scale has been included in chapter No.1, on page no. 20-22.

Black box model of consumer behavior
The black box model shows the interaction of stimuli, consumer characteristics, and decision process and consumer responses. It can be distinguished between interpersonal stimuli (between people) or interpersonal stimuli (within people). The black box model is related to the black box theory of behaviorism, where the focus is not set on the processes inside a consumer, but the relation between the stimuli and the response of the consumer. The marketing stimuli are planned and processed by the companies, whereas the environmental stimulus is given by social factors, based on the economic, political and cultural circumstances of a society. The buyer's black box contains the buyer characteristics and the decision process, which determines the buyer's response.

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[1]Hawkins *et al*, (2011:284); Kotler (2000:113) and Shimp, (1991:122).

[2] Ibid.p.113

Table 1: Actual Black Box Model

Environmental factors		Buyer's black box		Buyer's response
Marketing Stimuli	**Environmental Stimuli**	**Buyer Characteristics**	**Decision Process**	
Product Price Place Promotion	Economic Technological Political Cultural Demographic Natural	Attitudes Motivation Perceptions Personality Lifestyle Knowledge	Problem recognition Information search Alternative evaluation Purchase decision post-purchase behavior	Product choice Brand choice Dealer's choice Purchase timing Purchase amount

The black box model considers the borrower's response as a result of a Conscious, Rational decision process, in which it is assumed that the buyer has recognized the problem. However, in reality, many decisions are not made in awareness of a determined problem with the consumer.

(1) Modified Black Box Model to represent the Gold Loan and Personal Loan Consumer Preference.
The researcher has incorporated the dependent and independent variables in the Black Box model for the further study.

Table 2: Modified Black Box Model to represent the Gold Loan and Personal Loan Consumer Preference.

Environmental factors		Buyer's black box		Buyer's response
Marketing Stimuli	**Environmental Stimuli**	**Buyer Characteristics**	**Decision Process**	
Product – Gold Loan / Personal Loan Price- Rate of Interest Place - Mumbai Promotion- IMC	Demography- Age, Education, Occupation Income	I. Preference II. Perceptions	Problem recognition Information search Alternative evaluation Purchase decision post-purchase behavior	Product choice – Loans Brand choice – Gold Loan / Personal Loan Dealer's choice- Organised or Unorganise Purchase timing- In Need Purchase amount- in Lakhs or more.

Consumer'S Profile in This Study and Inferences with Graphical Presentation: The above Black Box model expresses the environmental stimuli, i.e. Demography factors. The demography factors in the other term are 'Consumer's Profile'. The consumer profile parameters include:

- Age
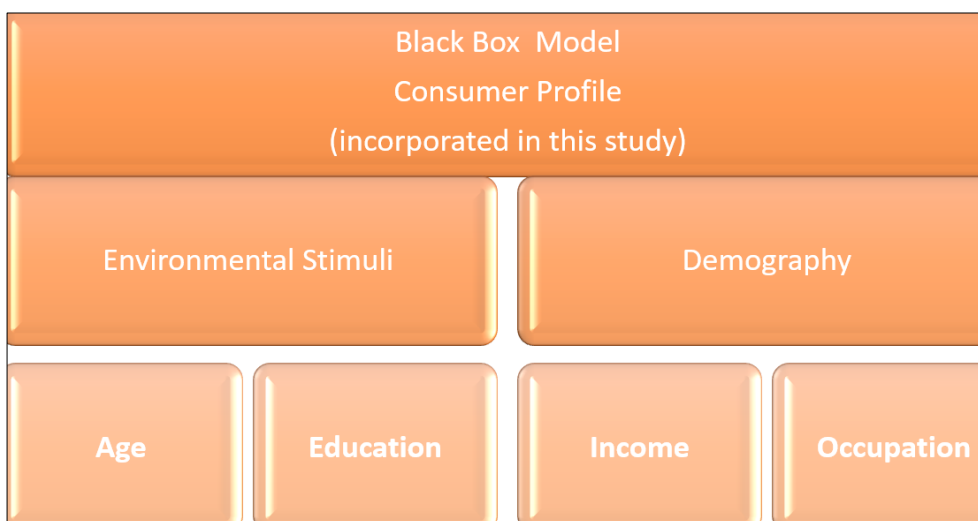- Education
- Income
- Occupation

Diagram 4: From the Black Box Model

The above diagram expresses the consumer profile that is considered to be the respondent profile in this research. To get the authentic prospective borrowers for the study, the researcher studied the profile to categorize the borrowers for their further preference study. The field –survey by structured questionnaire was conducted which includes Age, Education, Income, Occupation to identify Borrower's Profile (Consumer's profile). The details of respondent'profile on the basis of field survey have been explained further.

(a) 'Age'
In order to identify the Respondent's Age, the age range was scaled between Ages a) 25-35, b) 36-45, c) 46-55, d) above

55 in the questionnaire for the survey to collect data. The survey analysis as follows:

Table 3: Age of the Respondents

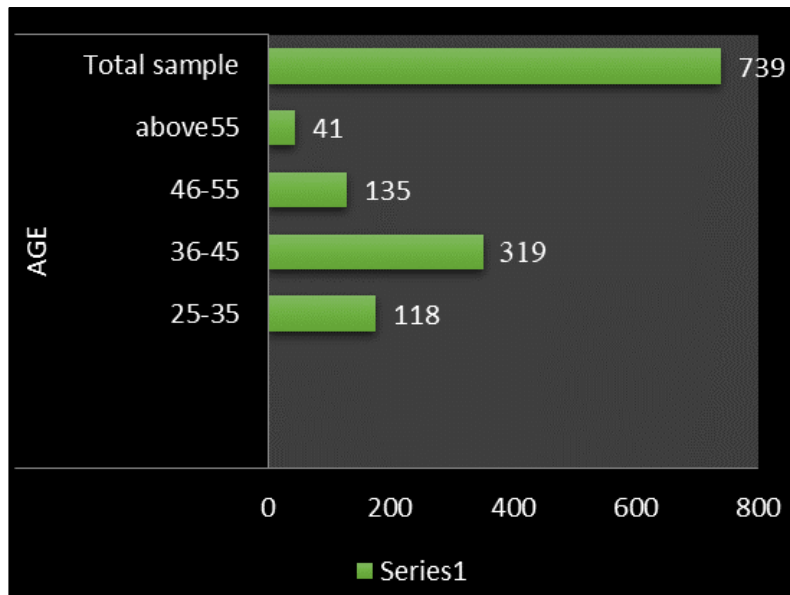| Age	No. of Respondents	Percent
25-35	118	24.08
36-45	319	51.29
46-55	135	18.26
above55	41	6.31
Total	139	100.0

(Compiled from the field-survey)

Chart 1: Age of the Respondents

The table 1 and Chart 1 indicates the Age of the Respondents of the Study. The total respondents were 139. Out of total sampling, i.e., 139, the age scale is as follows:
a) 25-35, the populous is 118; this disclosed that the ages in the range of 25-35 are high which 24.08 percent of the total population.
b) Age 36-45, the populous is 319; this indicates that the age in the range of 36-45 is very higher side. That is 51.29 percent out of total population.
c) Age 46-55, the populous 135, for the study is 18.26 percent of the total population
d) Age 55 above is 6.31 percent of the total population.

(b) 'Occupation'

Table 4: Occupation of the Respondents

Particulars		No. of Respondents	Percent
Occupation	Government Service	523	10.11
	Private Service	95	12.86
	Business	121	16.31
	Total	139	100.0

(Compiled from the field-survey)
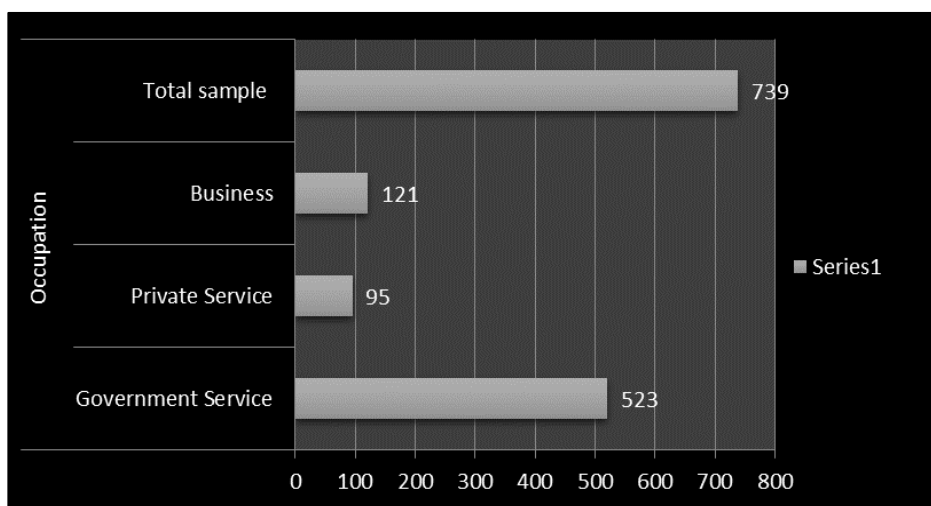
(Compiled from the field-survey)

Chart 2: Occupation of the Respondents

The table 4 and Chart 2 indicates 'Occupation / Profession of the Respondents of the study. The total respondents were 139.The respondents were scaled in:
a) Government Services include those who work in any public sector.
b) Private Service includes those who work in any Private sector services.
c) Business includes those who have their own business operating like Sole proprietor / Partners / Joint Hindu Family / Joint stock Company.

From the respondent the government is 523 that is 10.11 percent. This indicates this government employed respondents can be prospective borrowers with stable income. So if in case they require additional loan with existing on the bases on their payback capacity they can be given a loan.

(c) 'Monthly Income'

Table 5: Monthly Income of the Respondents

Particulars		No. of Respondents	Percent
Monthly Income	Less than 15000	29	3.92
	15000-25000	43	5.82
	26000-30000	121	11.19
	31000-50000	158	21.39
	51000-15000	149	20.16
	16000-above	228	30.85
	Total	134	99.30
	Missing System	5	.10
	Total	139	100.0

(Compiled from the field-survey) *missing system figure has not been presented in the chart. 1.6 (d) below.
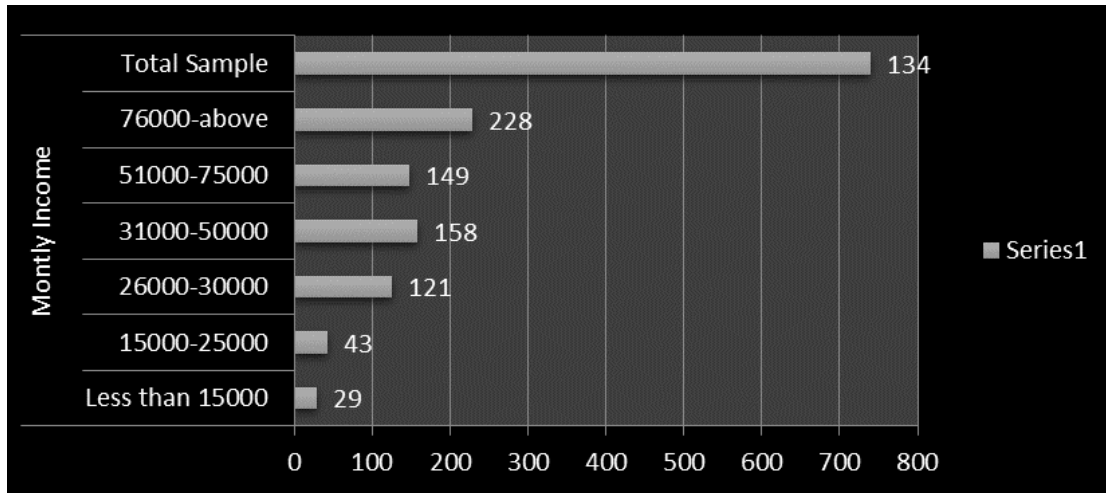

Chart 3: Monthly Income of the Respondents

The table 5 and Chart 3 indicates 'Monthly Income' of the Respondents of the study. The total respondents were 139. The respondents were scaled in:

a) Less than 15000- includes those respondents whose monthly income is less than 15000
b) 26000-30000- includes those respondents whose monthly income is between 26000-30000
c) 31000-50000- includes those respondents whose monthly income is between 31000-50000
d) 51000-15000-includes those respondents whose monthly income is between 51000-15000
e) 16000-above includes those respondents whose monthly income is 16000 and above.

This is vital factors in the study, because it indicates whether which income group or all income groups requires financial need. On the bases of their payback capacity, the borrowers make a preference in the types of as well as sources of loan lender.

(d) 'Education'

Table 6: Education of the Respondents

Particulars		No. of Respondents	Percent
Education	S. S. C-H. S. C	96	12.99
	H. S. C-Graduate	389	52.63
	Graduate-Post Graduate	93	12.58
	Higher/professional	134	18.14
	Others	21	3.66
	Total	139	100.0

(Compiled from the field-survey)
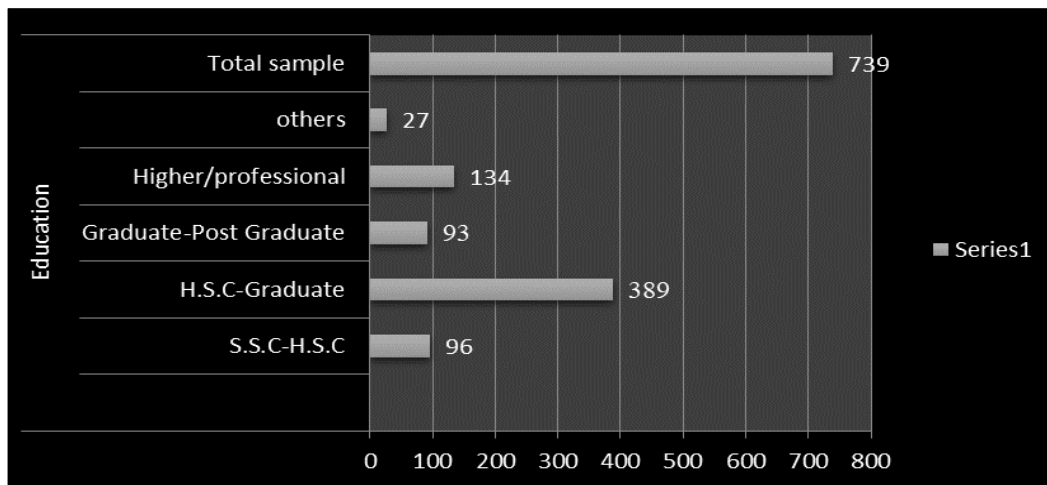
(Compiled from the field-survey)

Chart 4: Education of the Respondents

The table 6 and Chart 4 indicates the Education of the Respondents in the Study. The total respondents were 139. The respondents were scaled as follows:

a) S.S.C – H.S.C means those who have completed S.S.C *(*Secondary School Certification*)* only or H.S.C means Higher Secondary Certification*)* only is 12.99 percent out of total respondents.

b) H. S. C-Graduation means those who have completed HSC only or Graduation in any stream is high and 388. It is the 52.63 percent of the total respondents.

c) Graduate-Post graduate*:* means those who have graduated from any stream only or Post graduation from any stream is 93 that 12.58 percent of the total respondents.

d) Higher/Professional means those who have professional degrees from the stream is 134 is 18.14 percent of the total population.

e) Others include any type of qualification.

The purpose is to identify the weather, Education-factor influence Preference towards the choice of the loans.

It indicates that from the 139 respondents, 389 are between H.S.C to Graduation, this concludes that there is a good number of literate populous from the sampling. So, the decision-making towards the loan can be appropriate with stable income and Education.

Inferences

From the above tables and charts it can infer that:

▪ The four parameters were scaled in their respective ranges to get the appropriate response like:

▪ It has been analyzed from the Chart 1 that populous AGE in the range of 36-45 is higher side. It indicates that the Loan lenders can get a good age group for placing and promoting their loan segment. Because loan lenders can get longer duration to collect the payment and borrowers get long period to repay the loan.

▪ It has been analyzed from chart 2 that the populous Education is among. H. S. C and Graduation, good qualified respondents. Loan lender's needs to plan their procedures and promotions accordingly.

▪ It has been analyzed that from chart 3 that out the total respondents, the Government Service person is more. Thus, loan lenders get fixed income and service group as borrowers. There is higher security for repayment of the loan.

▪ It has been analyzed that from chart 4 that out of total respondents, monthly income is higher side towards 16000 and above as well as monthly income between 51000-15000 is also the higher side of the respondents.
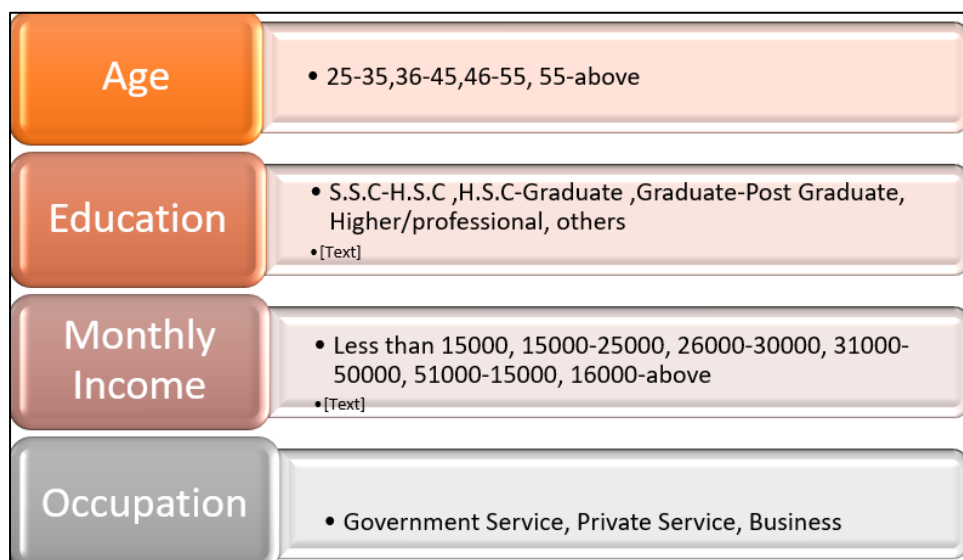
Conclusion

Consumer profile is useful information for determining the target consumers (borrowers) for the Loan products. The analyses help to understand, which type of consumer (borrowers) would prefer a gold loan or personal loan from organized or unorganised loan lenders. It can help to plan their promotions accordingly. In other words, the analyses prove to be more profitable to target advertising to a specific market segment. As most of the loan, lenders are promoting their loan products very rigorously.

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